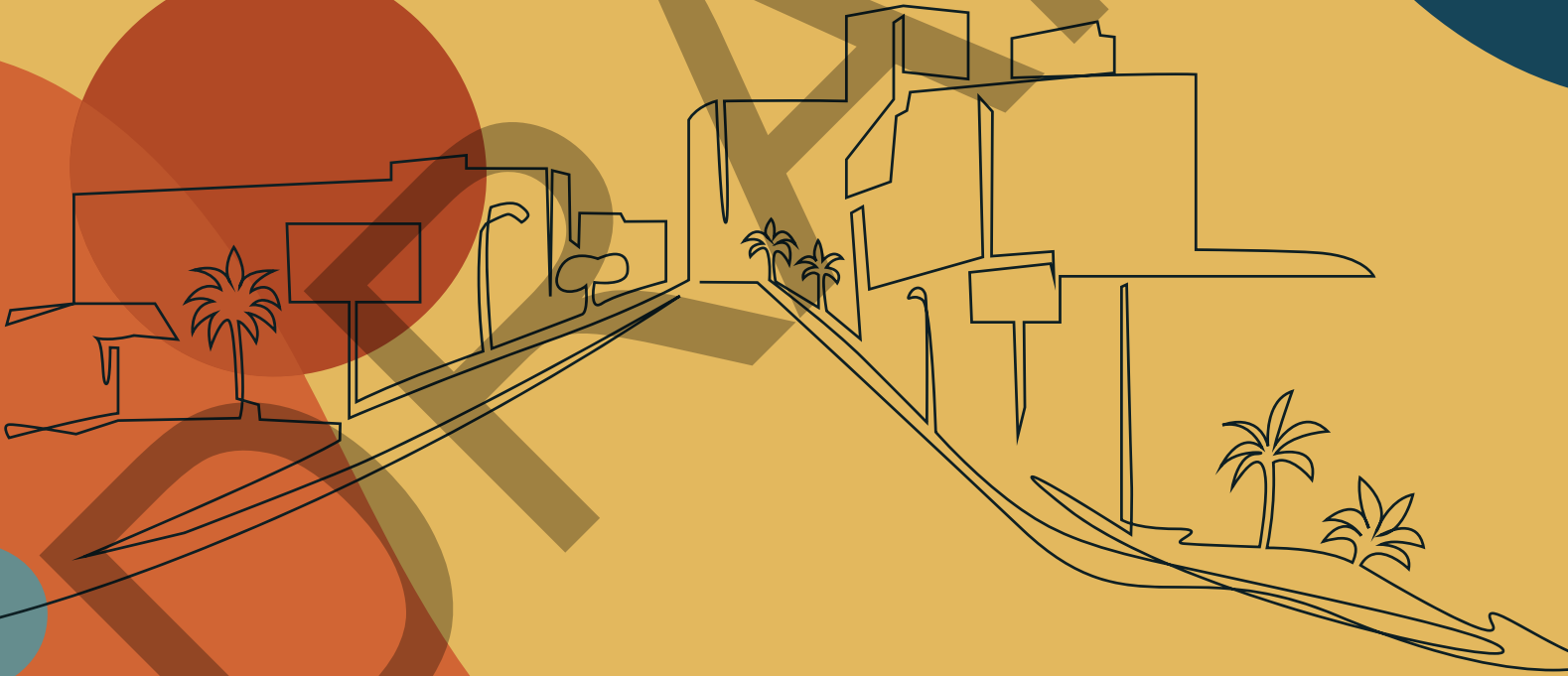


# HOUSING AFFORDABILITY STRATEGY FOR TUCSON (HAST)



City of Tucson  
Housing & Community  
Development Department

## DRAFT

**LETTER  
FROM  
MAYOR  
ROMERO**

Dear Neighbors,

For many, the COVID-19 pandemic has emphasized the importance of home as a safe place to work, learn, and spend time with loved ones. For others, the current health crisis has deepened our understanding of housing instability. The dream of a stable place to call home is out of reach for many Tucsonans facing rising rents and home prices.

Housing affordability is a key priority for both myself and the City Council. To ensure all Tucsonans have a safe and affordable roof over their heads, we need to build and preserve a broad array of housing options through a diverse range of policy and funding initiatives. Equitable housing solutions are vital to achieving overarching city goals like climate resiliency, racial justice, and community safety.

In order to be successful, the Housing Affordability Strategy for Tucson will require support from all stakeholders including our state and federal partners, local builders, developers, nonprofits, and neighbors.

Together, we will implement housing solutions that ensure Tucson is an inclusive and affordable place to call home for generations to come.

We are One. Somos Uno.

Mayor Regina Romero



## **CARTA DE LA ALCADESA ROMERO**

Queridos vecinos,

Para muchos, la pandemia del COVID-19 ha enfatizado la importancia del hogar como un lugar seguro para trabajar, aprender y pasar tiempo con la familia. Para otros, la crisis de salud ha profundizado nuestra comprensión de la inestabilidad de obtener un hogar. El sueño de un lugar estable para llamar hogar, está fuera del alcance de muchos Tucsonenses que enfrentan el aumento de rentas y los precios de casa alrededor de Tucson.

La asequibilidad de la vivienda es una prioridad clave tanto para mí como para el Cabildo de la Ciudad de Tucson. Para garantizar de que todos los habitantes de Tucson tengan un techo seguro y asequible, necesitamos construir y preservar una amplia red de opciones de viviendas a través de una amplia formación de políticas e iniciativas de financiamiento. Las soluciones de viviendas equitativas son vitales para lograr los objetivos de la ciudad, como la resiliencia climática, la justicia racial y la seguridad comunidad.

Para tener éxito, la estrategia de asequibilidad de viviendas para Tucson requerirá el apoyo de todos interesados, lo cual incluye a nuestros socios estatales y federales, constructores locales, desarrolladores, organizaciones sin fines de lucro y nuestros vecinos.

Juntos, implementaremos soluciones de viviendas que garanticen que Tucson sea un lugar inclusivo y asequible y que las generaciones que nos sigan puedan llamar nuestra ciudad su hogar.

We are One. Somos Uno.

Alcaldesa Regina Romero

## **ACKNOWLEDGEMENTS**

### **Mayor and Council**

Regina Romero, Mayor  
Lane Santa Cruz, Ward 1  
Paul Cunningham, Ward 2  
Karen Uhlich, Ward 3  
Nikki Lee, Ward 4  
Richard Fimbres, Ward 5  
Steve Kozachik, Ward 6

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# 1. INTRODUCTION TO HOUSING AFFORDABILITY



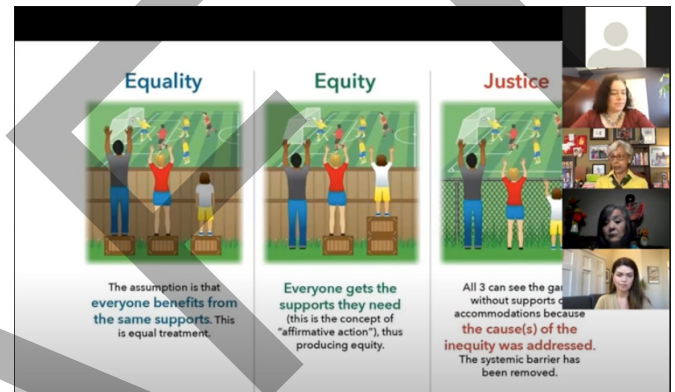
# 1. INTRODUCTION TO HOUSING AFFORDABILITY

## BACKGROUND

Over the past several years, the cost of housing has risen dramatically in Tucson and throughout the Pima County region. Since 2017, median rent in Tucson rose 40% and today is over \$1,200. Typical home values have increased at an even greater pace, from \$176,199 in 2017 to over \$287,000 this year. Household incomes are not keeping up with the rising costs of housing and the global COVID-19 pandemic has further exacerbated existing socio-economic disparities.

On the ground in Tucson, this can look like rising eviction rates, landlords refusing to accept Housing Choice Vouchers (Section 8), and a lack of resources communitywide to meet the demand for affordable housing units. Over 75,000 Tucson households pay too much of their income on housing.

This housing crisis affects nearly all Tucsonans. Throughout the past couple of years concerns over housing costs, homelessness, and racial equity have been a central theme at nearly every public meeting, town hall, and City Council meeting.

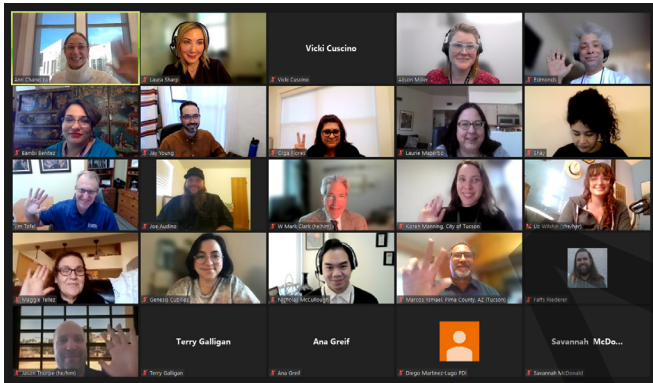


Screenshot from the City of Tucson Community Safety Budget Town Hall in March 2021

Understanding these concerns, the Tucson Mayor and Council has made housing a top priority. However, housing is interrelated with other critical issues including climate resiliency, community safety, and social equity. Therefore, investments in housing must be strategic and impactful. As such, the Tucson Mayor and Council directed the Department of Housing and Community Development to develop a comprehensive affordable housing strategic plan with an emphasis on actionable goals. This Housing Affordability Strategy for Tucson (HAST) is focused on specific actions the City can take to support the preservation and construction of housing units.

## COMMISSION ON EQUITABLE HOUSING AND DEVELOPMENT

Recognizing the importance of housing and the growing concerns around a lack of affordability, the Tucson Mayor and Council established the Commission on Equitable Housing and Development (CEHD) on July 7, 2020 by Ordinance No. 11760.



*Meeting of the Commission on Equitable Housing and Development*

The mission of the CEHD is to review, investigate, and recommend actions to the Mayor and City Council, based on research, data, and inclusive input, to increase housing affordability. As such, the CEHD has been a critical partner in the development of the HAST Plan.

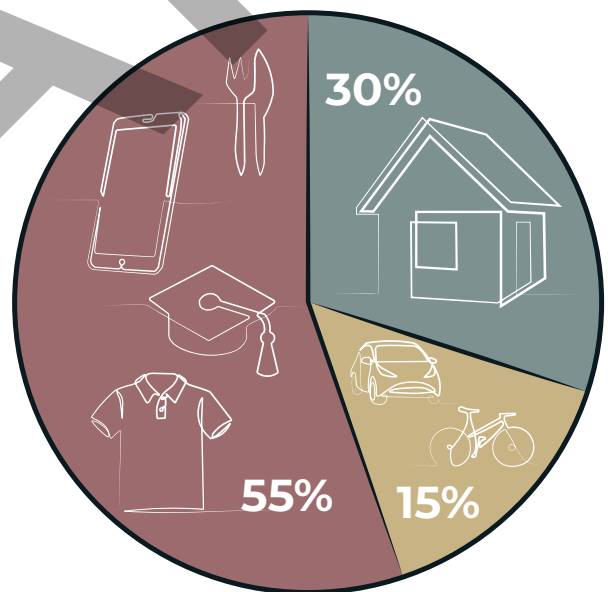
## HAST PUBLIC ENGAGEMENT AND OUTREACH

As just mentioned, the Housing Affordability Strategy for Tucson (HAST) was developed based on input from the Commission on Equitable Housing and Development. In addition, interested stakeholders and Tucson residents were invited to three different public meetings with focused

breakout sessions to allow an opportunity to have more detailed conversations on the strategies identified in the plan. Appendix C provides more details regarding the HAST Outreach and Engagement.

## WHAT IS HOUSING AFFORDABILITY?

We consider housing to be **affordable** when a household can pay for it while still having money left over for other necessities like food, transportation, and health care. Typically, we use a metric called “**housing cost burden**” to indicate when a household is paying more than 30% of its income on housing-related expenses.



The Center for Neighborhood Technology’s “**Housing and Transportation Index**” provides a more comprehensive approach in that it considers transportation as an essential household expense. “**Affordable Housing**” often refers to units that are subsidized by government sources to ensure they are affordable specifically for low-income families. This can be public

housing, Housing Choice Vouchers (often known as Section 8), and other rental housing funded through programs like the Low-Income Housing Tax Credit.

In this plan, we focus on strategies that impact the affordability of housing more broadly, i.e., **housing affordability**. While this plan primarily focuses on housing for low-income individuals and families, the current housing crisis impacts moderate-income and even higher income households alike. By centering low-income households in these strategies and expanding housing affordability solutions for them, we anticipate a ripple effect that will help relieve

the squeeze on higher income Tucsonans. Some of the strategies identified in this plan are intended to help nearly all Tucsonans. For this reason, the plan is entitled a “Housing Affordability Strategy for Tucson” or HAST.

## KEY TERMS DEFINED

There are several other housing-related terms that are often used without clear meanings. This plan includes a glossary as [“Appendix A: Glossary”](#) with housing-related definitions. A brief overview of definitions used throughout this plan is included to the right.



## Income Category Definitions

This plan presents data on household income-categories as defined by the United States Department of Housing and Urban Development (HUD). HUD uses income categories to determine eligibility and subsidy levels for various affordable housing programs.

Area Median Income (AMI) is the midpoint of a region's income distribution, meaning that half of the households in a region earn more than the median and half earn less than the median. HUD defines and calculates different levels of AMI by household size. This means that the AMI for a one-person household is smaller than the AMI for a four-person household. Below are some of the more common income categories and terms often used to describe the various income levels based on AMI.

Each year, the U.S. Department of Housing

and Urban Development (HUD) sets income limits based on area median income (AMI) for the Tucson area that determines eligibility for assisted housing programs including Public Housing, Housing Choice Vouchers (Section 8), Section 202 housing for older adults, and HOME funding.

## Other Key Terms

The City of Tucson promotes both mixed-income housing as well as mixed-use development.

**Mixed-Income Housing:** Housing that is comprised of a mix of both affordable and market-rate units to serve a range of incomes. There are several advantages to mixed-income housing including providing high-quality housing opportunities for lower-income households, deconcentrating poverty, and increasing social diversity.

Subsidized housing for households making less than 80% AMI is often referred to as **"Affordable Housing"**

Housing for households making between 80 - 120% AMI is often referred to as **"Workforce Housing"**

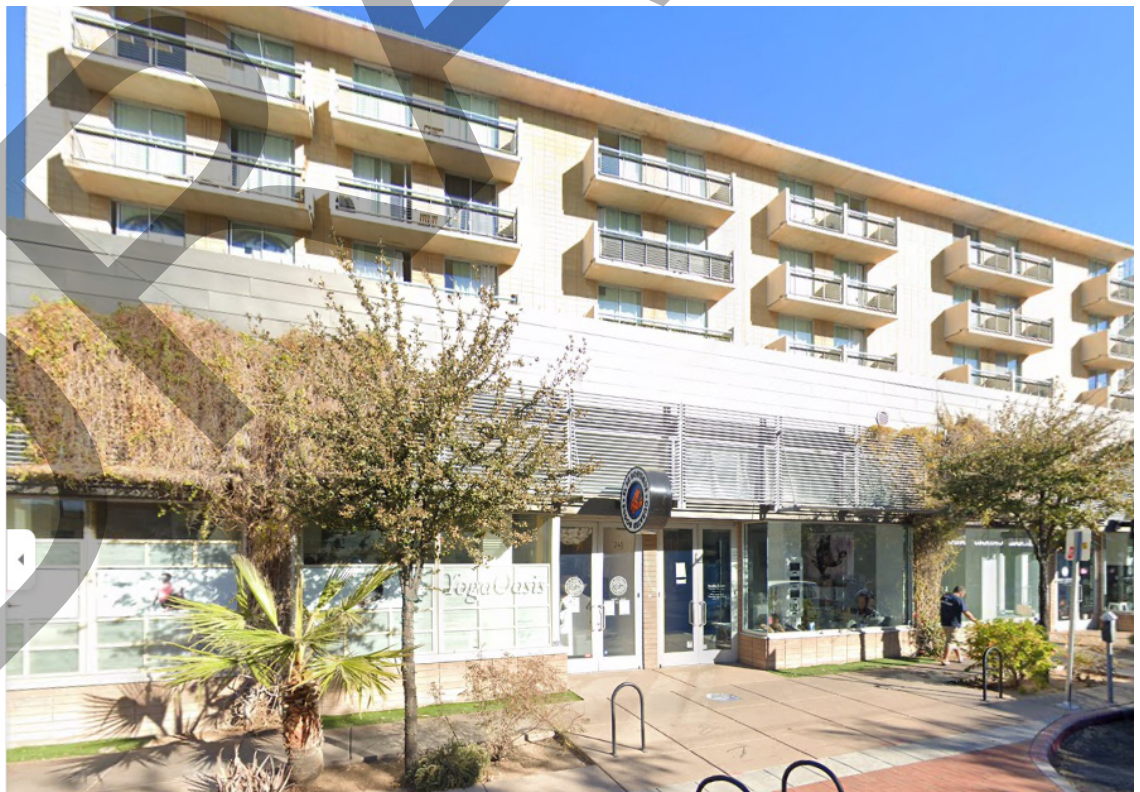
Housing that is not restricted by income is **"Market Rate Housing"**





**Mixed-Use Development:** Mixed-use describes a development that contains two or more types of uses (such as residential, retail, office, hotel, or other functions). The variety of uses allows for people to meet several needs (live-work-play-shop-etc.) in one place, which can have economic, community, and environmental benefits.

**Equitable Transit-Oriented Development (eTOD):** Equitable TOD (eTOD) is development near transit hubs that enables all people regardless of income, race, ethnicity, age, gender, immigration status, or ability to experience the benefits of mixed-use, pedestrian-oriented, infill development. Incorporating Affordable Housing into eTOD projects is vital to the overall goals of eTOD corridors.



*Example of a Mixed-Use Development in downtown Tucson with apartments above commercial ground floor businesses*

## HOUSING DELIVERY AND NEED CONTINUUM

Housing affordability solutions differ greatly depending on the specific needs and interests of residents. From ending chronic homelessness to preventing evictions to supporting new homeowners, the City of Tucson collaborates with community partners on strategies across the housing continuum.

In recent years, the City of Tucson has redoubled its efforts to address and end homelessness. The City of Tucson is the Continuum of Care Lead Agency and Collaborative Applicant -- a key partner -- in the regional coalition to end homelessness, the Tucson Pima Collaboration to End Homelessness (TPCH). The Tucson Mayor

and Council has adopted a Housing First Approach to ending homelessness and recently hired a Housing First Director to oversee the City's efforts to assist the unhoused. In addition, the City of Tucson is purchasing hotels to add needed transitional shelter beds. The City of Tucson works closely with Pima County to support existing shelters with needed improvements and energy efficiency upgrades. These strategies and solutions are driven by the [Tucson/Pima County Community Plan to Prevent and End Homelessness](#) and supported by the [City of Tucson's People, Communities, and Homes Investment Plan \(P-CHIP\)](#).

One key component of preventing and resolving homelessness is to ensure an abundance of affordable housing options.



### OTHER INITIATIVES

- Housing First Approach
- Purchase Hotels
- Rehabilitate Shelters

### HAST PLAN PURPOSE

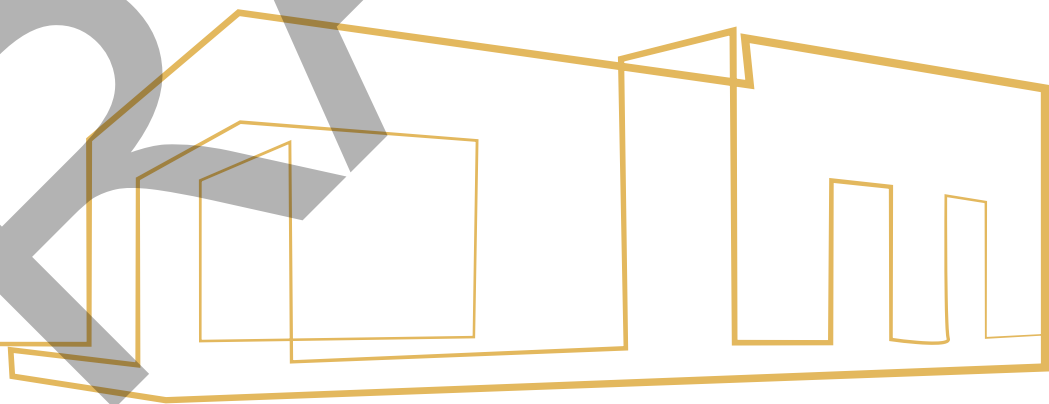
- Support the preservation and construction of housing units

Affordable units paired with wraparound supportive services are needed for some exiting homelessness. Meanwhile, stable attainably priced units help prevent the housing instability that pushes some into homelessness in the first place. This HAST plan focuses on the City of Tucson's strategies to achieve affordability in permanent housing solutions, as shown on the right side of the illustration above.

## **IT TAKES A VILLAGE**

There are numerous policy initiatives and actions outlined in the HAST plan. The City of Tucson is committed to make progress on the goals identified but also recognizes we are just one agency in the region working on housing issues. It will take countless partners working collaboratively to meet the demand for housing. The City of Tucson will continue to work closely with Pima County, the City of South Tucson, and the Arizona Department of Housing to maximize limited resources, avoid duplicating efforts, and to create efficiencies with service deliver. In addition, the City of Tucson will look for opportunities to reinforce existing partnerships and expand the network community partners as we believe “It Takes a Village” of agencies working together to best meet the needs of regional residents.

## **2. DATA** **SNAPSHOT**





## 2. DATA SNAPSHOT: HOUSING NEEDS ASSESSMENT AND GAP ANALYSIS

### **BUILDING ON PREVIOUS DATA ANALYSIS EFFORTS**

Given all the major challenges and needs in our community it is more important than ever to have reliable and timely data to inform our policy solutions. HCD has worked on several comprehensive data efforts that include key housing information over the past couple of years.

#### **The Housing Market Study**

The [Housing Market Study](#) was a partnership with the University of Arizona Eller College of Management's Economic and Business Research Center and Pima County. The Study provides detailed information on the past and present housing conditions in the region. The three phases of the study are:

- A Neighborhood Vulnerability Index that identified neighborhoods within in the region that are more vulnerable to changes such as rising housing costs;
- A detailed market assessment that focuses on the current housing

market looking at both rental and owner-occupied housing; and

- A gap analysis that ties the study together and illustrates the housing need.

#### **Poverty and Urban Stress**

[The Poverty and Urban Stress Interactive Website](#) builds on the Poverty and Urban Stress Reports and highlights trends and indicators of neighborhood stress including poverty, incomes, crime data, and more.

#### **People, Communities and Homes Investment Plan (P-CHIP)**

The “Current Conditions and Challenges” section of the [People, Communities, and Homes Investment Plan](#) (P-CHIP) identifies six main challenge areas for Tucson and includes data to highlight and track each issue. Homelessness and Housing Instability are two of the six challenge areas.

The HAST plan summarizes data from these initiatives to illustrate the current housing needs and why housing affordability is such an important issue. For a deeper dive

into the data, we encourage you to visit the resources listed above.

## POPULATION GROWTH

Since 2009, the population of Tucson has grown 6.5%, adding 34,200 to the community. At the same time, Pima County has increased by 9.8%, 95,790 individuals. More individuals and families means more households and higher housing demand.

City of Tucson Population Change Over Time

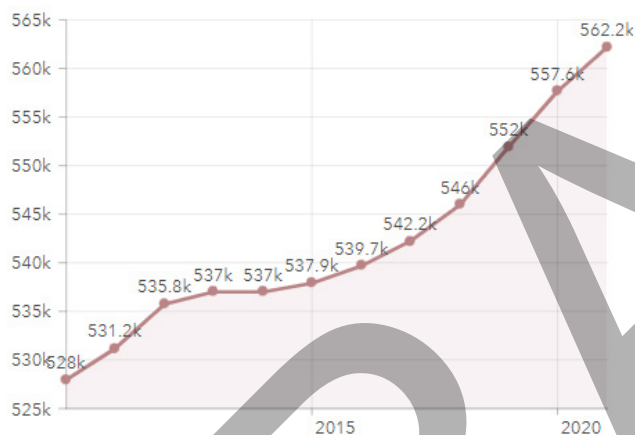


Figure 2.1: City of Tucson Population Change Over Time (ACS 5- Year Estimates)

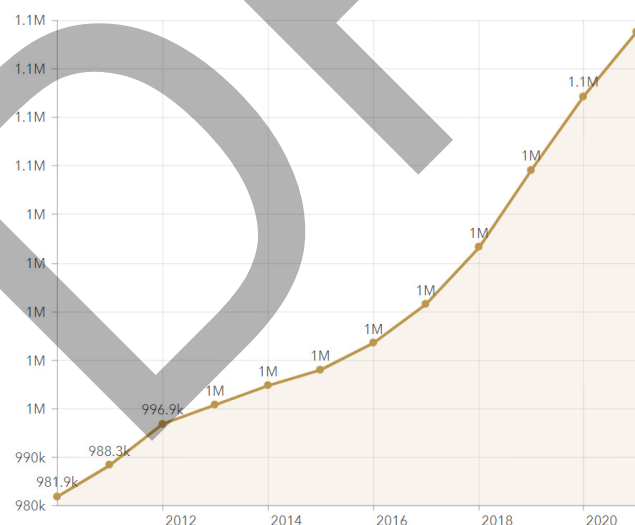


Figure 2.2: Pima County Population Change Over Time (ACS 5- Year Estimates)

## SLOWED HOUSING PRODUCTION

Housing development in the region was keeping pace with population growth from 2000-2009. However, since the Great Recession, there has been a slowdown in housing production, which has still not recovered to previous levels. The lack of production compared to population and household growth results in low supply compared to demand and is one contributor to increased housing costs.

Population vs. Housing Growth by Decade

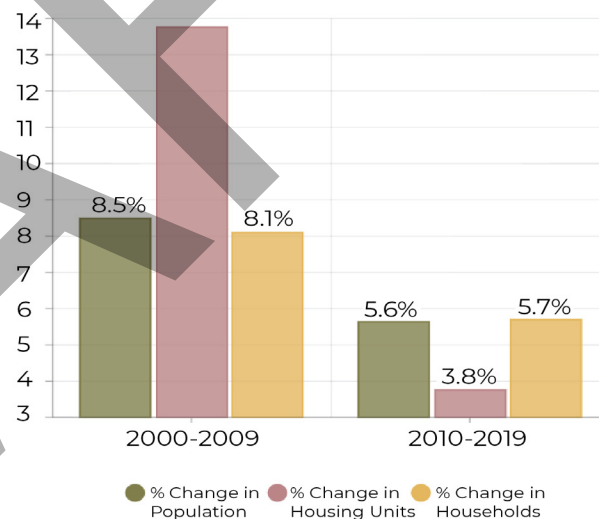


Figure 2.3: Change in Population, Housing Units, and Households by decade (ACS 5- Year Estimates)

Percent of Total Housing Stock Built by Decade in Tucson, AZ

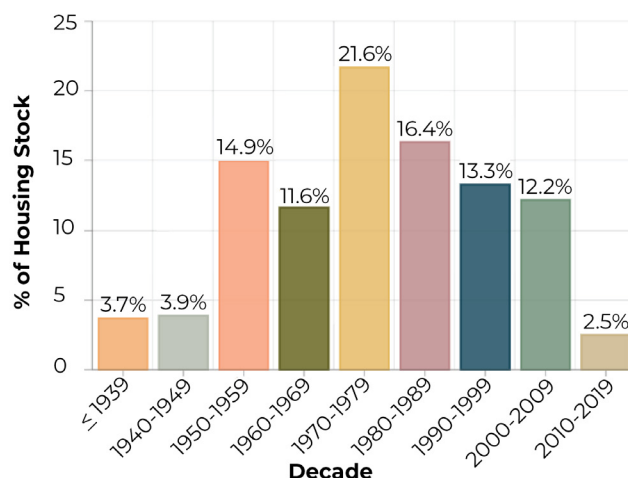


Figure 2.4: Percent of Tucson's Total Housing Stock Built Each Decade (ACS 5- Year Estimates)



## INCREASING HOUSING COSTS

Between 2017 and today, median rent rose 40% and the typical home value in Tucson rose 60%. In 2017, the estimated annual median rent was \$860 for rental units in Tucson whereas in September of 2021 it was estimated at \$1,208. Similarly, the Tucson Typical Home Value estimated by Zillow in 2017 was \$176,199 whereas in September 2021 it was estimated at \$287,288.

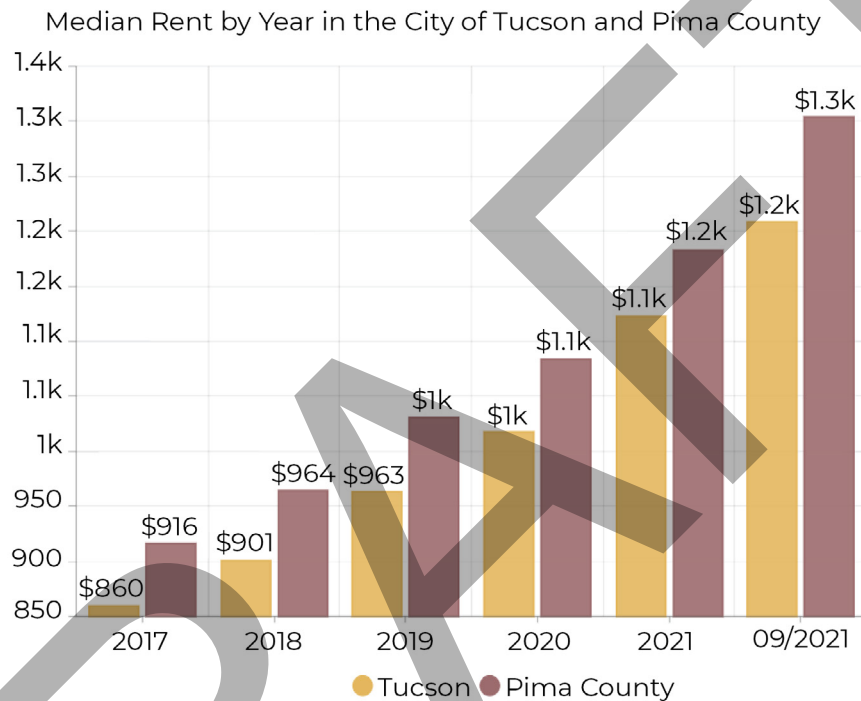


Figure 2.5: Median Rent by Year in Tucson and Pima County (Source: Apartment List)

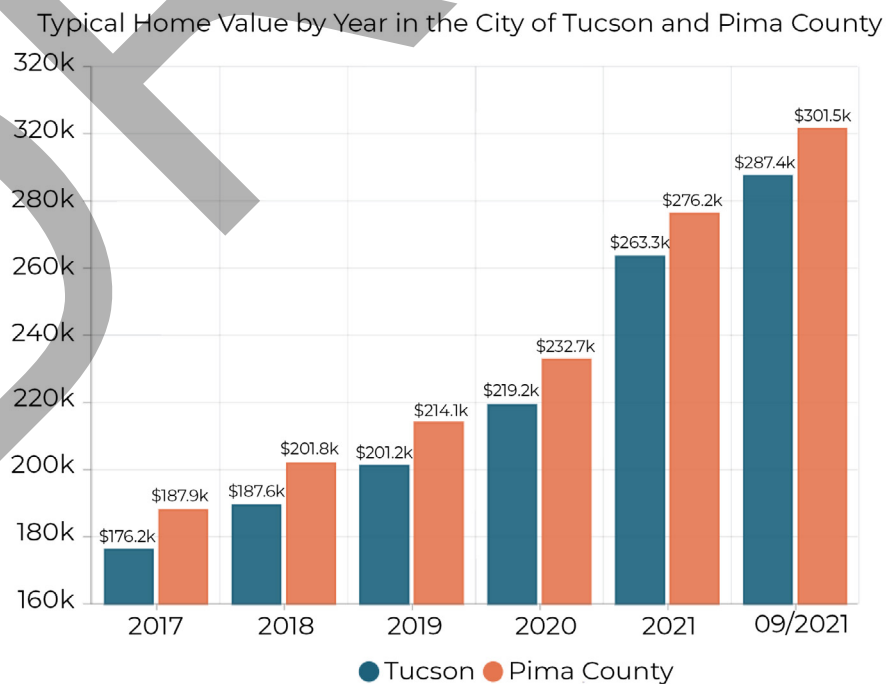


Figure 2.6: Typical Home Value by Year in Tucson and Pima County (Source: Zillow)

## LOW INCOMES AND HIGH POVERTY IN TUCSON

Housing prices in Tucson and the Pima County region have long been considered “affordable.” However, our persistently low incomes and corresponding high poverty rates make it hard for many Tucsonans to afford the cost of housing.

The Median Household Income in Pima County is \$53,379 and in Tucson is \$43,425. With incomes comparatively low, this means poverty rates are higher in Tucson

than Pima County and Arizona. The poverty rate in Tucson had been decreasing in the five years leading up to the COVID-19 pandemic but was still nearly 20% compared to a statewide rate of 13.5%.

### Low-Income Households Most Likely to be Housing Cost Burdened

The HUD Area Median Income Chart below provides the income category and income limits for households of various sizes in Tucson and Pima County.

AMI Range	AMI Category	1 Person	2 Person	3 Person	4 Person
<30%	Extremely Low Income	\$14,450	\$16,500	\$18,550	\$20,600
30-50%	Very Low Income	\$24,050	\$27,450	\$30,900	\$34,300
50-80%	Low Income	\$28,860	\$32,940	\$37,080	\$41,160
80-100%	Moderate	\$38,450	\$43,950	\$49,450	\$54,900

Figure 2.9: HUD Area Median Income by household size and income category for Pima County

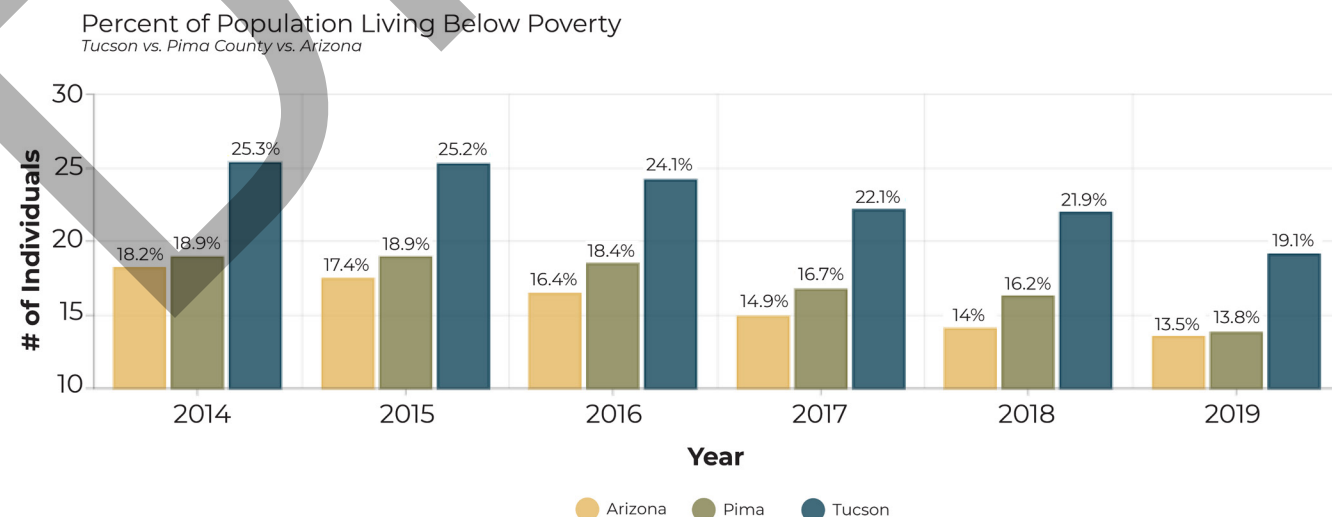


Figure 2.10: Source: ACS 1-Year Estimates

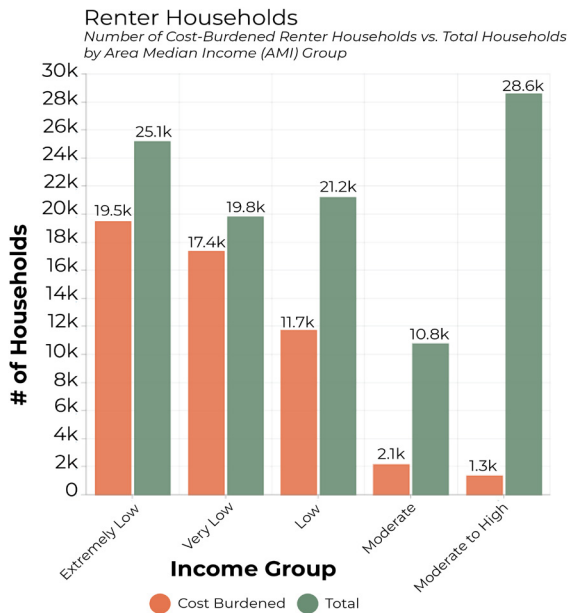


Figure 2.11: Cost-Burdened Renter Households vs. Total Households By Area Median Income (AMI) Category

Not surprisingly, renters and homeowners living in the lower-income categories are more likely to be housing cost-burdened than higher income households by spending over 30% of their income on housing. The data shows that for both renter and owner households, there are over 33,000 households that are considered extremely low-income and over 25,000 of them are housing cost burdened (77%). Whereas there are 88,340 households in the moderate to high-income category and only 4,225 of them are housing cost burdened (5%). Overall, there are over 75,000 households in the City of Tucson that are housing cost burdened.

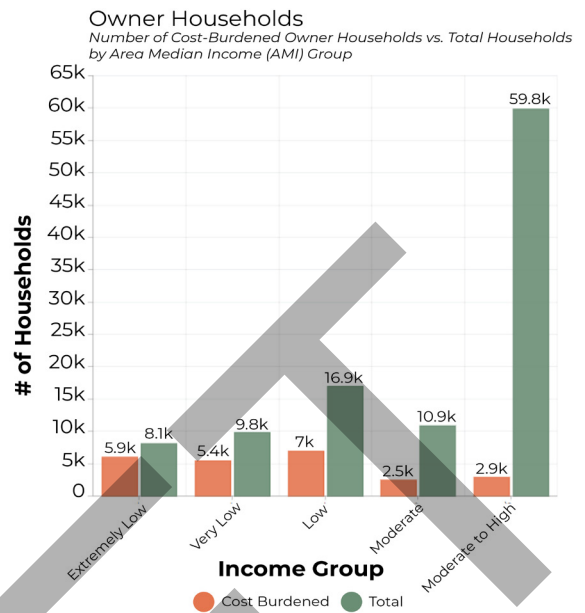


Figure 2.12: Cost-Burdened Owner Households vs. Total Households By Area Median Income (AMI) Category

## INCOMES NOT KEEPING PACE WITH HOUSING COSTS

Over the past three years (2019 – Sept. 2021), estimates suggest that incomes in Tucson increased by almost 4% whereas median rent has increased by over 25% and Typical Home Values increased by nearly 42%. This trend puts even more households at risk of becoming housing cost burdened.

Percent Change in Income, Median Rent, and Typical Home Value from 2019 to 2021

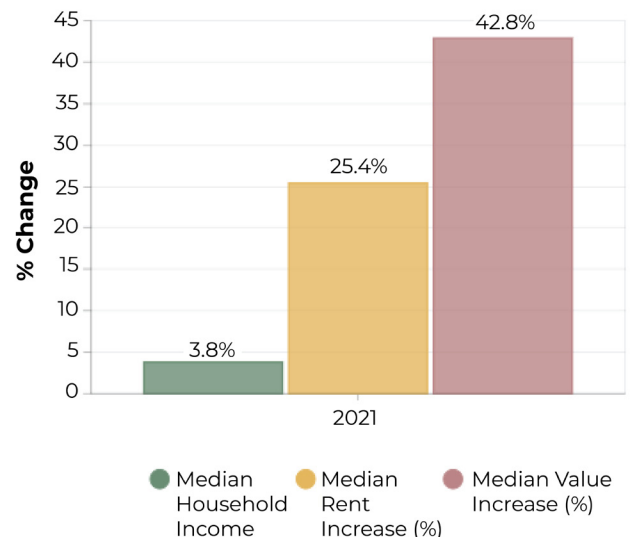
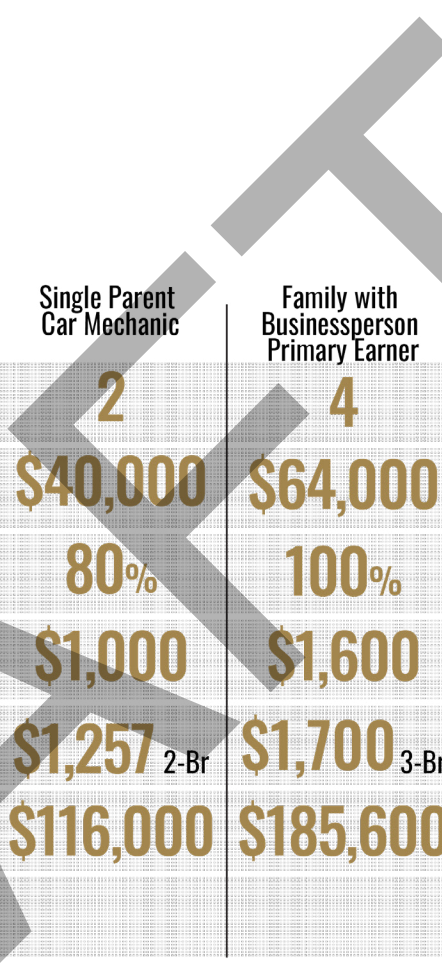


Figure 2.13: Percent Change in Income, Median Rent, and Typical Home Value from 2019 and 2021 (Source: Esri 2021 Median Income Estimates; Estimated Rent: Apartment List; Zillow Estimated Home Value)

## Impact on Tucsonans

The graphic below illustrates what housing affordability looks like for a few common occupations in the Tucson and Pima County area, with varying family size. The current rental prices and home values are out of reach for many Tucsonans.



	Part-time Retail Worker	Health Care Support Worker	Single Parent Car Mechanic	Family with Businessperson Primary Earner	Family with Two Educators
No. in Household	1	1	2	4	4
Estimated Household Income	\$13,000	\$27,000	\$40,000	\$64,000	\$80,000
% of Area Median Income	30%	60%	80%	100%	>120%
Max Rent They Can Afford	\$325	\$675	\$1,000	\$1,600	\$2,000
Average Rent	\$842 Studio	\$940 1-Br	\$1,257 2-Br	\$1,700 3-Br	\$1,974 4-Br
Max Home Price	\$37,000	\$78,300	\$116,000	\$185,600	\$232,000
Typical Home Value					\$287,388

Figure 2.14: What affordable housing looks like for some common occupations in the Tucson MSA with varying family sizes



# HOUSING'S RACIST LEGACY

## Housing Segregation

Racism in housing practices has produced systemic inequalities and contributed to the housing segregation pattern of Tucson. The map here shows the predominant ethnicity of each Census tract in the City and a clear divide between where Hispanics and Latinos versus non-Hispanic whites live. As described in the P-CHIP and Poverty and Urban Stress reports, areas where people

of color have historically been segregated correspond with areas of lower access to opportunity like quality schools and good-paying jobs. The federal Fair Housing Act requires localities to not simply eliminate discrimination in housing practices, but to “take meaningful actions to overcome patterns of segregation and foster inclusive communities.”

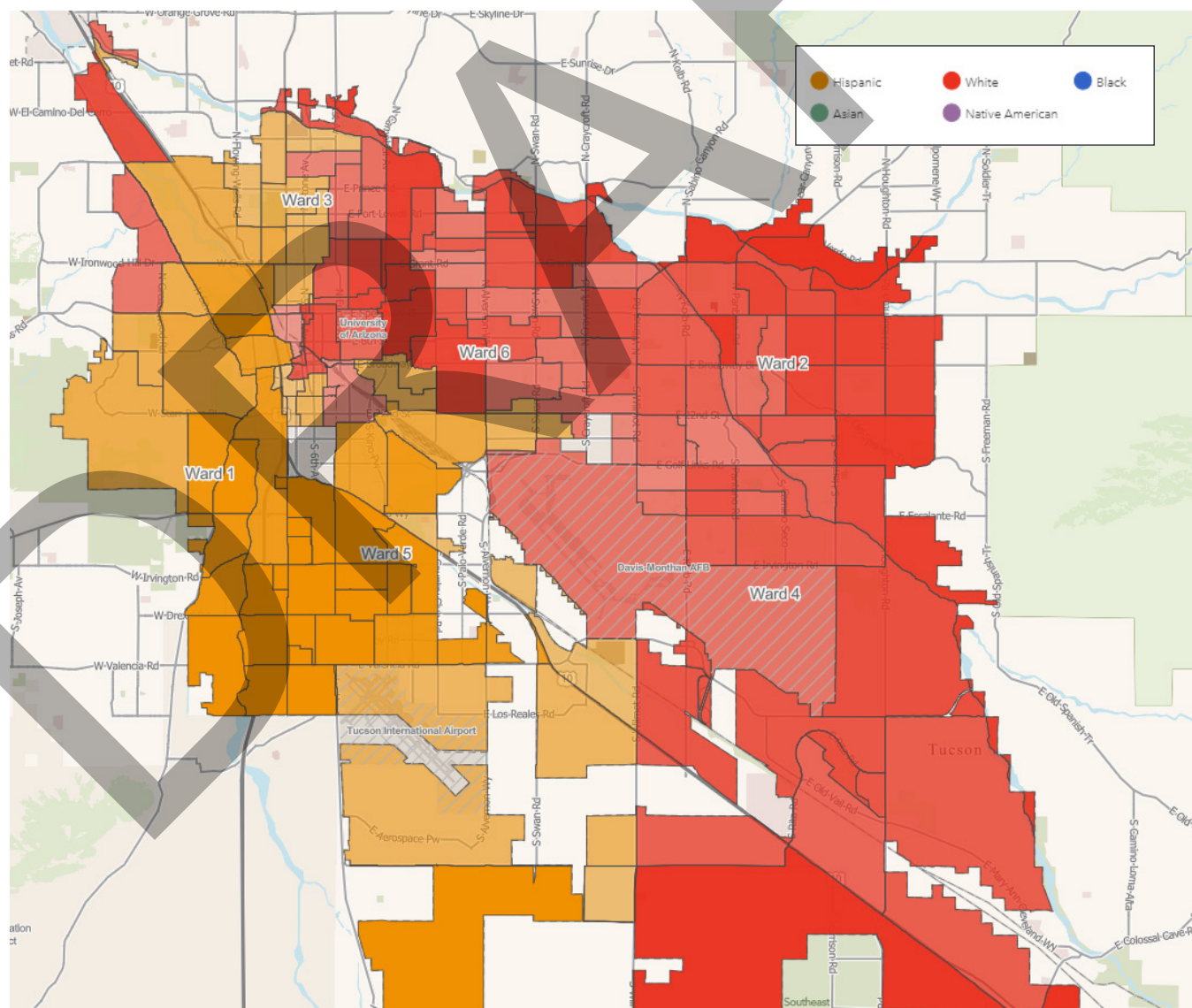


Figure 2.15: Predominate Ethnicity by Census Tract in the City of Tucson (2019)

## Homeownership Rates by Race & Ethnicity

Tucson vs. United States

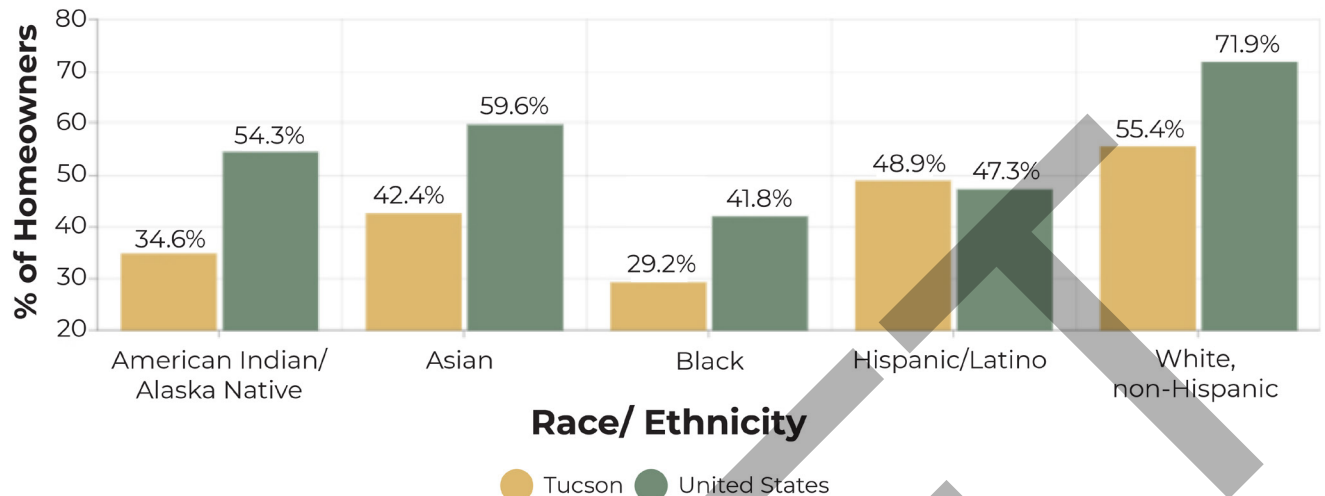


Figure 2.16: Homeownership Rates by Race & Ethnicity in the City of Tucson and the United States

### Homeownership Disparity

Racism in housing practices and unequal access to economic opportunity has also created a disparate impact on homeownership, America's biggest intergenerational wealth building tool. Homeownership rates in the U.S. and locally here in Tucson vary significantly by race and ethnicity. Actions are needed to support more households of color to gain access to homeownership.

- Many higher-earning households take units at lower rents, creating a crunch for lower-earning households
- Housing affordability solutions are needed for over 75,000 households
- Solutions to expand housing affordability must be targeted to reduce the long-standing effects of housing segregation

### GAP ANALYSIS AND DATA SUMMARY

Analyzing income categories and number of units available at various price points, a few conclusions can be drawn:

- There are not enough affordable units for lower-income households





### **3. POLICY** **INITIATIVES &** **ACTIONS**





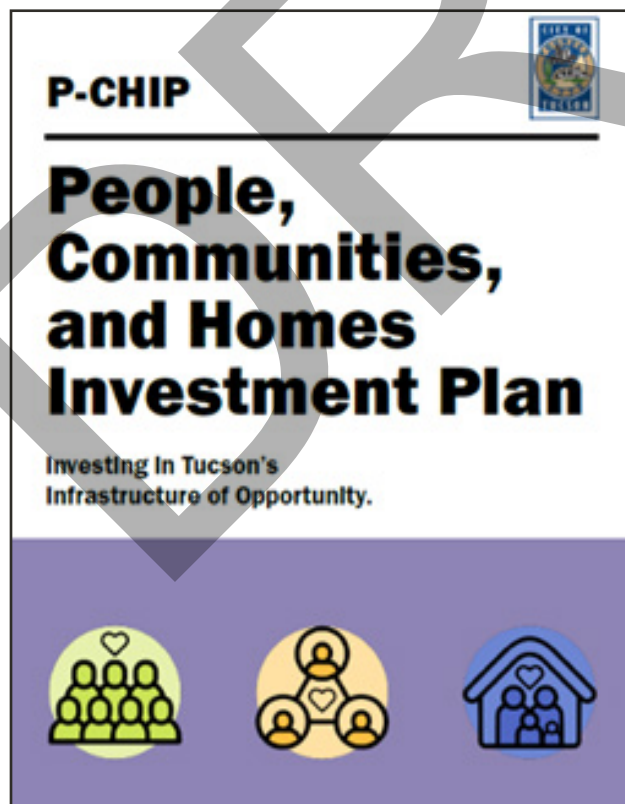
### **3. POLICY INITIATIVES & ACTIONS**

#### **P-CHIP HOMES FRAMEWORK**

The Tucson Mayor and Council adopted the People, Communities, and Homes Investment Plan (P-CHIP) on January 20, 2021 by Resolution No. 23292. The P-CHIP plan serves as a road map for the programs and funding allocations of the Department of Housing and Community Development (HCD). P-CHIP is a general planning effort that focuses on the inter-

connectedness of human services, neighborhood and community development, and housing stability. P-CHIP envisions an overall

“Infrastructure of Opportunity” that allows everyone a pathway to health, dignity, and success in order to ensure a thriving Tucson.



The P-CHIP HOMES section provides a framework of strategies to improve the infrastructure of housing in our community. Its vision is that, “Every Tucsonan has access to a safe, decent, and affordable home – the first steps toward life stability.” This Housing Affordability Strategy for Tucson (HAST) builds from the P-CHIP HOMES section but is focused on specific actions the City can take in the short and mid-term to create and preserve housing units in Tucson. The City of Tucson strongly believes housing is one of the basic components of the region’s physical infrastructure. A safe and affordable roof over one’s head is a prerequisite to health, economic well-being, and self-sufficiency. As such, an adequate

supply of and access to affordable housing is also a key pillar of our “infrastructure of opportunity.”

## P-CHIP HOME Priorities

1. Increase affordable rental housing  
*Preserve, enhance, and expand the supply of affordable rental housing.*
2. Expand affordable homeownership  
*Reduce barriers to entry and threats to stable homeownership, while also increasing supply.*
3. Ensure stable, healthy, and safe housing  
*Support programs that keep residents in their homes, help older adults age in place, and that support safe living conditions.*
4. Increase equitable housing  
*Reduce housing segregation and other impacts of housing’s racist legacy*

The P-CHIP identified the need to develop a robust Housing Strategy by utilizing the Housing Market Study and collaborating with the Commission on Equitable Housing and Development and other partners. The HAST is that strategy.



## HAST POLICY INITIATIVES AND ACTIONS

### HAST Plan Purpose

Support the preservation and construction of housing units.

### HAST Pillars

- Focus on residents most vulnerable to housing instability
- Align actions with other key city initiatives such as climate resiliency, advancing racial and social equity, and supporting older adults

### HAST Policy Initiatives

The HAST Plan identifies **ten policy initiatives** and specific short-term, medium-term, and ongoing actions the City of Tucson will take to support the preservation and construction of housing units.

#### **SHORT-TERM**

Less than 2 years

#### **MEDIUM-TERM**

2-5 years

#### **ONGOING**

Currently working on and will continue to work on for at least the next 5 years

## **1. TRANSFORM PUBLIC HOUSING**

The City of Tucson owns and operates over 1,500 units of public housing; with an average age of 41 years. HCD recently had a physical needs analysis which reports that we will need \$48 million to address the physical needs over the next 20 years, the immediate need is \$13 million. The average amount of funding needed is \$44,000 per unit. The funding currently received by HUD under the Capital Improvement Program is about \$2 million per year. And these cost estimates do not include the Tucson House, which is estimated to need over \$70 million in and of itself.

Therefore, the City of Tucson needs to transform its public housing through a process that HUD calls Asset Repositioning. Asset Repositioning changes the regulatory and funding platform of the public housing and provides greater flexibility and options than currently available through the current program. The City of Tucson has received HUD Technical Assistance to develop a plan that will achieve the following goals:

- **PRESERVE AND/OR RENOVATE RENTAL UNITS THAT PROVIDE THE BEST HOUSING OPTIONS AND LOCATIONS FOR TUCSON RESIDENTS WITH A HOUSING SUBSIDY**



*Martin Luther King Apartments, a public housing site located at 55 N. 5th Avenue in downtown Tucson*

- **CREATE HOMEOWNERSHIP OPPORTUNITIES FOR SELECT SINGLE FAMILY HOMES THAT WILL INCLUDE LONG TERM AFFORDABILITY REQUIREMENTS**
- **REALLOCATE PUBLIC HOUSING SUBSIDIES FROM HOMES SOLD AND PLACE AT NEW RENTAL DEVELOPMENTS.**

**1.1 CREATE A REPOSITIONING PLAN TO MEET THE OBJECTIVES OF INCREASED AFFORDABLE HOUSING FOR PHA BOARD OF COMMISSIONERS APPROVAL**

Short-Term

**1.2 SUBMIT FIRST RENTAL ASSISTANCE DEMONSTRATION APPLICATION TO HUD**

Short-Term

## **2. BUILD CAPACITY IN TUCSON AROUND AFFORDABLE HOUSING**

### **2.1. CREATE AN HCD DEVELOPMENT ARM**

Short-Term

In order to facilitate aspects of the Public Housing Asset Repositioning and support more affordable housing units, the City of Tucson is in process of creating a development arm. In the short and medium-term, the City of Tucson intends to co-develop city-owned properties. This type of development entity is not uncommon across the nation as many Public Housing Agencies work on development projects to boost their overall mission.

### **2.2. SUPPORT COMMUNITY PARTNERS IN DEVELOPMENT**

Ongoing

The City of Tucson supports affordable housing development partners primarily through providing gap funding. HCD will continue to do this and is developing a consistent, transparent application process to provide more clarity for the development community and to better align with the state funding cycles. In addition, the City of Tucson will look for opportunities to build capacity and support new local developers and existing non-profit organizations interested in development. This includes trainings focused on small scale development and missing middle housing.



*Example of an affordable housing project in downtown Tucson*



### **3. PRIORITIZE AND FACILITATE AFFORDABLE HOUSING IN AREAS OF OPPORTUNITY**

#### **3.1 CREATE A CHECKLIST**

##### Short-Term

The City of Tucson is developing a checklist tool to objectively score affordable housing projects to inform decisions such as property acquisitions and funding allocations. The draft checklist criteria is listed in Appendix B. and HCD will work with the Commission on Equitable Housing and Development to refine and test the tool.

The proposed checklist has two parts:

#### **1. PART 1: SITE CONSIDERATIONS**

The site considerations section prioritizes locations that are located near needed services and that align with other city goals such as climate resiliency and social equity. For property acquisition applications, the tool also considers key site factors such as lot size, zoning, and flood zone characteristics. The Site Considerations graphic shows some of the criteria to be considered as part of this tool.

### **SITE CONSIDERATIONS**

Areas of higher wealth

Access to health facilities

Zoning: For TOD corridors higher density residential zoning scores higher

Access to public transportation

Proximity to employment opportunities, quality schools, and recreation centers

Access to a grocery store

*Diagram of site consideration factors for choosing new affordable housing projects*



## **PART 2: PROJECT CONSIDERATIONS**

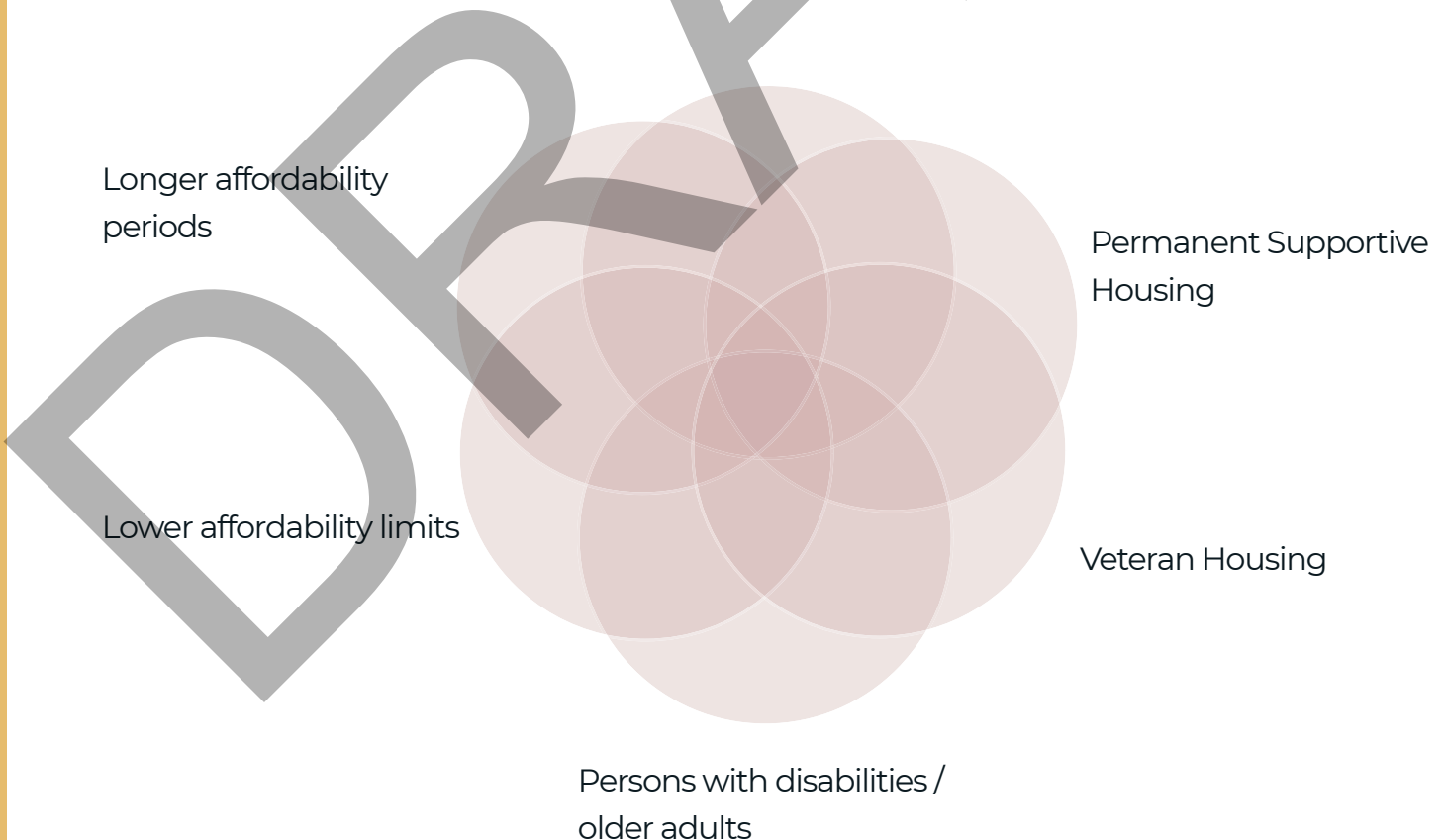
The second aspect of scoring affordable housing projects is focused on the aspects of the projects themselves. Projects that guarantee longer affordability periods or that serve extremely-low and very-low income households will score higher. Similarly, projects that serve persons experiencing homelessness, veterans, persons with disabilities, older adults etc. will also score higher. The Project Considerations graphic shows some of the criteria to be considered as part of this tool.

### **3.2 EVALUATE CHANGES TO THE CITY'S HUMAN RELATIONS ORDINANCE, TUCSON CODE - CHAPTER 17**

#### **Short-Term**

Under the City's Human Relations Ordinance, Tucson Code – Chapter 17, it is unlawful for housing providers to discriminate on the basis of race, color, national origin, ancestry, disability, age, sexual orientation, gender identity, religion, sex, familial status, and marital status. Many states and local governments have passed ordinances prohibiting housing discrimination on the basis of source of income. A source of income protection would make it unlawful to refuse to rent

## **PROJECT CONSIDERATIONS**



*Diagram of factors for prioritizing housing projects*

an apartment to a tenant because they receive lawful, regular and verifiable income from any source, including social security or other federal benefits such as a Housing Choice Voucher (formerly known as Section 8), spousal support, child support, or Veteran's benefits. In addition, some communities have prohibited questions related to criminal background from rental applications. Creating these updates can help expand housing choices and provides housing options in areas of opportunity for low-income families and older adults.

### **3.3 PROMOTE HOUSING IN KEY REVITALIZATION AREAS**

Ongoing

The City of Tucson has several major efforts underway that align closely with the Housing Affordability Strategy for Tucson. There have been several investments made already in these areas to spur economic development, improve infrastructure, and support cultural vibrancy. The City of Tucson is committed to supporting affordable housing development in the following specific geographic areas:

#### **• THRIVE IN THE 05**

[Thrive in the 05](#) is a collaboration of Innovations in Community-Based Crime Reduction, Choice Neighborhoods, and Workforce & Economic Development in the Oracle Road/Miracle Mile area of 85705 zip code.

#### **• SUNSHINE MILE OVERLAY/ BROADWAY BLVD (DOWNTOWN TO HOUGHTON ROAD)**

The primary purpose of the [Sunshine Mile District](#) is to support economic vitality along a multi-modal transportation corridor that forwards community values, embraces its historic features, and enhances the character of the Sunshine Mile. The recently approved overlay on a two-mile stretch of Broadway from Euclid to Country Club includes an affordable housing incentive. The City is currently developing a rapid transit service that will extend from downtown to Houghton Road.

#### **• GRANT ROAD INVESTMENT DISTRICT (AND POTENTIAL FUTURE EXPANSION)**

Ordinance 11581 established the Grant Road Urban Overlay District entitled the [Grant Road Investment District](#) (GRID) to balance uses along the corridor to meet the economic revitalization and community character goals for Grant Road; protect the historic architectural styles along Grant road, and guide new development. The GRID allows flexible for zoning regulations such as parking, building height, setbacks, and more. Residential development is a key component to building a vibrant Grant Road corridor.

#### **• CENTRAL BUSINESS DISTRICT**

The City recently worked with stakeholders to expand the [Central Business District](#) (CBD) and update our policies regarding

the Government Property Lease Excise Tax (GPLET). One of the priorities that emerged was promoting affordable and workforce housing in the downtown area. Much of the CBD is covered by the Infill Incentive District, a zoning tool designed to spur transit-oriented development along the streetcar route.

#### • **LA DOCE S. 12TH REDEVELOPMENT STRATEGY**

[S. 12th Avenue](#) has been a revitalization focal point for several years and there have been key strategies developed to “support a successful business district and neighborhoods, while preserving the cultural heritage in the area and building upon its contribution in Tucson as part of UNESCO City of Gastronomy.”

#### • **FTA EQUITABLE TRANSIT ORIENTED (E-TOD) DEVELOPMENT PLANNING GRANT**

The City of Tucson Department of Transportation and Mobility is overseeing a [federal grant](#) to develop land use policies around a new bus rapid transit line from the Tucson Mall to downtown and from downtown to the Tucson International Airport. The plan will incorporate equitable TOD strategies to improve physical, social, and economic conditions while addressing community concerns, including displacement. Affordable Housing is essential for preventing displacement and providing housing access to lower-income households in highly desirable locations.

#### • **PLACE NETWORK INVESTIGATIONS (PNI)**

PNI is a citywide strategy to substantially reduce violence. The strategy is grounded in evidence that persistent crime patterns and violent hot spots are visible indicators of underlying crime-place networks. Offender groups use crime-place networks that provide the infrastructure necessary to operate illicit markets and promote violent interactions. Skilled PNI investigators, working in chronically violent micro-locations, identify crime-place networks and build cases against individuals who own and operate network locations. Eradicating deeply entrenched crime-place networks produces the sustained crime reductions needed to support community redevelopment and long-term economic growth. Tucson Police Department is a participating PNI agency and the PNI locations listed on the map are in need of revitalization investments.

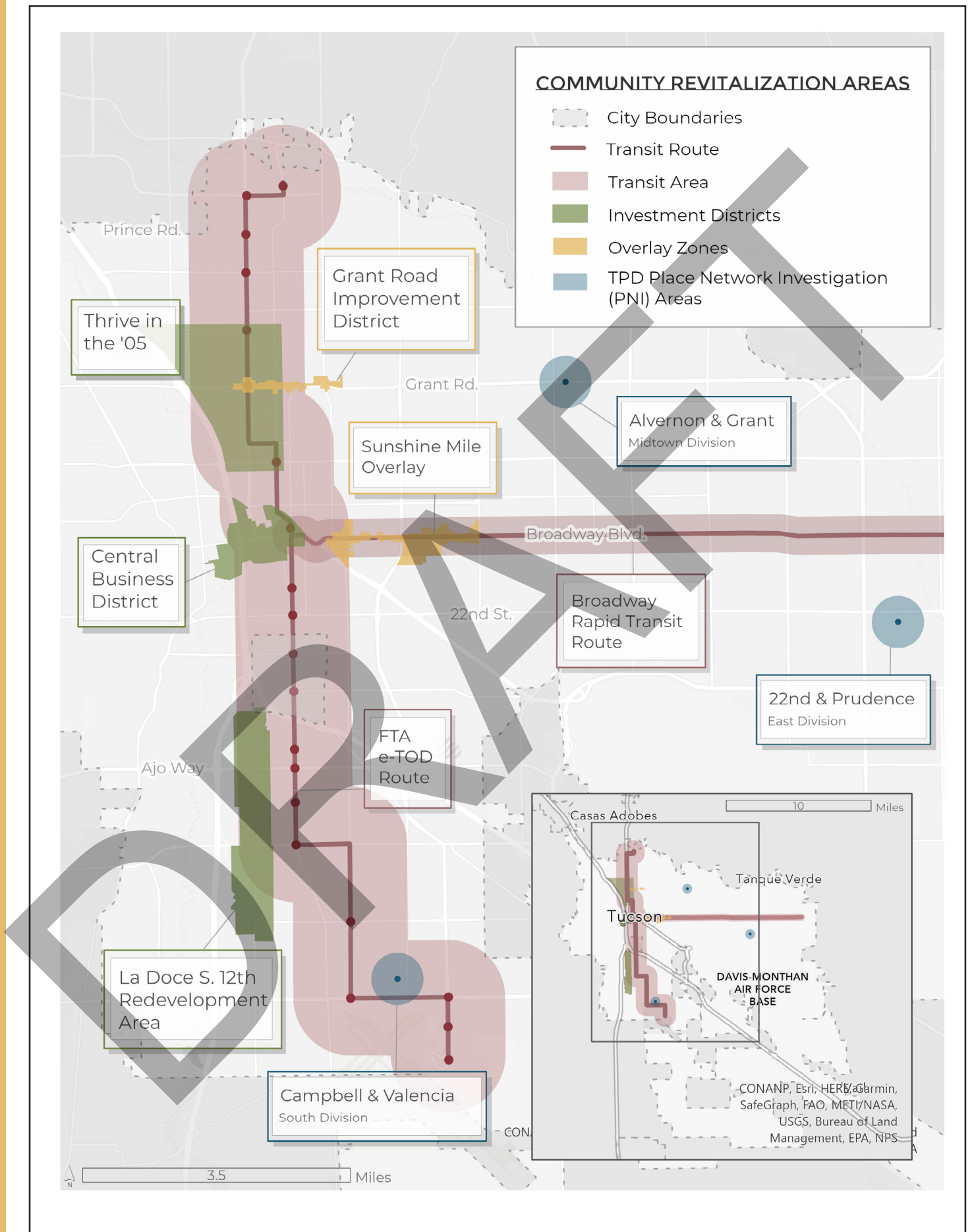


Figure 3.4: Map of Tucson Community Revitalization Areas where Affordable Housing will be prioritized

## **4. EXPAND EFFORTS TO PRESERVE AND ENHANCE EXISTING HOUSING**

### **4.1. LAUNCH PILOT ACCESSORY DWELLING UNITS IMPROVEMENT PROGRAM**

Short-Term

The Mayor and Council recently passed a code amendment to allow Accessory Dwelling Units or Casitas on single-family zoned lots in Tucson. The purpose of this Pilot Program is to provide financial and technical assistance to low-income homeowners within the City of Tucson to improve an existing Accessory Dwelling Unit (ADU) or accessory structure that can be converted to an ADU on owner-occupied properties. Improvements can include needed repairs and/or minor kitchen and bathroom upgrades that make the ADU more inhabitable.

### **4.2 DEVELOP MANUFACTURED HOUSING REHABILITATION INITIATIVE TO SUPPORT AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES**

Short-Term

Manufactured homes make up a significant portion of the naturally occurring affordable housing inventory in Tucson. However, many manufactured homes are in need of repair and some are currently vacant. The City of Tucson will partner with a community organization(s) to preserve existing housing opportunities through manufactured home rehabilitation or to rehabilitate vacant units that will then be sold to low-income homeowners.



*Casita, a type of Accessory Dwelling Unit (ADU) commonly found in Tucson*

### **4.3 CREATE A NEW REHABILITATION PROGRAM FOR MULTI-FAMILY RENTAL BUILDINGS**

Medium-Term

Many multi-family apartment buildings in Tucson are aging and in need of investment. HCD will explore the feasibility of offering loans or grants to help rehabilitate existing affordable housing buildings that meet criteria consistent with HCD's funding regulations. Improvements could include safety enhancements, structural systems, energy efficiency upgrades, landscaping, and exterior façade improvements.

### **4.4 WORK WITH ARIZONA DEPARTMENT OF HOUSING TO IDENTIFY AND SUPPORT CONTINUING AFFORDABILITY TERMS OF EXPIRING PROJECTS**

Ongoing

In 1989, Congress extended the affordability use restrictions for Low-Income Tax Credit Properties (LIHTC) to 30-years. At the end of the use-period, those properties are eligible to for conversion market-rate rentals. In the Tucson region, from 1989-1999 approximately 31 LIHTC properties with over



2900 units were built. Given how many of these buildings are reaching their 30 years, it is critical that the city, state, and affordable housing developers ensure these units remain affordable.

## **5. UPDATE ZONING REGULATIONS TO ENCOURAGE AFFORDABLE HOUSING**

### **5.1 INCORPORATE INCENTIVES INTO PLANNING AND OVERLAY ZONING ON TRANSIT CORRIDORS**

Short-Term

The Tucson Mayor and Council recently adopted the first affordable housing density bonus in Tucson as part of the Sunshine Mile Overlay District. HCD will be evaluating the terms of the density bonus and will also explore additional incentives that can be incorporated into this and future transit overlays to encourage affordable and mixed income housing on key transit corridors.

### **5.2 PROMOTE HIGH-QUALITY, CLIMATE-ADAPTED, AND ATTRACTIVE DESIGN OF NEW HOUSING**

Medium-Term

As Tucson and our region warms, new development that is climate-adapted can also be more cost-effective, with lower energy needs for cooling and heating. Some of the existing tools that support high-quality, attractive design of new housing are Planned Area Developments and Flexible Lot Developments. These tools can be reviewed and updated



*The Sunshine Mile Overlay includes the first affordable housing density bonus incentive in Tucson*

to better promote affordable, climate-adapted development. New tools including regulations as well as incentive-based programs should also be explored.

As the City unlocks significant new growth areas, such as the Southlands, the planning and entitlement process should promote a diverse mix of uses and densities, to deliver a variety of housing types and affordability levels, and ensure that new development is climate-resilient.

Additionally, affordable housing projects that receive City funding or incentives should be reviewed to ensure that the design is of high quality, creating attractive, livable spaces for tenants.

### **5.3. UPDATE DEVELOPMENT STANDARDS AND CREATE TOOLS TO INCENTIVIZE AFFORDABLE HOUSING**

Ongoing

Affordable Housing projects typically require subsidies to pencil out given the limited rent payments that come in from tenants. Therefore, identifying ways to help these projects' bottom lines will help ensure more projects happen. Relief from standards such as setbacks, lot coverage,

parking requirements, etc., and additional height/density for affordable housing developments are some avenues to make affordable housing projects more feasible.

There is also a need to allow more diverse housing types that even at market-rate can be attainable to middle-income households. This includes housing types such as bungalow courts, duplexes, and rowhouses, often termed 'missing middle' housing for their moderate density as well as cost. Many of Tucson's current zoning regulations makes it difficult to build this type of housing – updating our standards to provide more flexibility could allow our housing market to better serve the needs of Tucson households.



*Prefabricated ADU that runs entirely on solar panel (Photo: dezeen.com)*

## **6. FACILITATE DEVELOPMENT BY REDUCING COSTS AND THROUGH INNOVATION**

### **6.1 STREAMLINE DEVELOPMENT REVIEW PROCESS FOR AFFORDABLE HOUSING PROJECTS**

Short-Term

The City of Tucson makes every effort to support developers through the permit process in a timely fashion. One of the actions that Mayor and Council can take is to dedicate resources to expedite the review of affordable housing projects to ensure these projects are prioritized through the permitting process. Another action the City of Tucson can consider is reducing the cost of development review fees for affordable housing projects.

### **6.2 EVALUATE EXPANSION OF THE AFFORDABLE HOUSING IMPACT FEE PROGRAM**

Short-Term

Ordinance 11624 incentivizes affordable housing by offering a subsidy on impact fees to nonprofit affordable housing developers for the non-public investment portion of an affordable housing project. The project must be affordable to households that earn 80% of Area Median Income or less for at least fifteen (15) years. Each year the City of Tucson budgets the impact fee waiver fund for affordable housing, for FY 2022 it is \$780,000. Mayor and Council could consider amending the ordinance to be focused on the terms of affordability (80% AMI and 15 years) rather than the corporate structure of the developer and allow for

any developer to receive the relief if they build a project that meets or exceeds the affordability terms.



*The first home constructed by Habitat for Humanity using 3D printing in Tempe, Arizona*

### **6.3 INCENTIVIZE ADU CONSTRUCTION TO ADD AFFORDABLE RENTAL UNITS TO THE MARKET**

Medium-Term

Several cities across the U.S. have teamed up with community partners and financial institutions to support the construction of Accessory Dwelling Units to provide housing for low-income residents and for older adults. Program examples include:

[A Place for You](#) in Multnomah County, OR brought prefab ADUs to the backyards of homeowners, which then provided housing for formerly homeless individuals

The [LA ADU Accelerator Program](#) pairs older adults with homeowners willing to offer their ADUs as rentals

[LA MAS Backyard Homes Projects](#) supports homeowners in building an ADU in exchange for renting their unit affordably to a Section 8 voucher holder for a minimum of 5 years



These and other models could be replicated in Tucson through community partnerships

**6.4 PROMOTE LOW-COST DEVELOPMENT AND OWNERSHIP METHODS SUCH AS MODULAR HOMES, 3D-PRINTED HOMES, SHARED HOUSING, HOUSING COOPERATIVES, ETC.**

Ongoing

There are several trends emerging to help address the shortfall in housing and reduce housing costs. For instance, developing model plans to help make ADUs easier and cheaper is one way to make this tool more affordable. Modular homes are growing in use and are another way to reduce costs. Many areas are experimenting with 3D-printed homes, including the City of Tempe where Habitat for Humanity just built the first 3D-printed home in Arizona. Tucson can make sure that our codes allow these types of construction and consider promoting these methods as part of an affordable housing development on a designated city-owned site, in order to serve as a pilot and demonstration project.

There is also a growing interest and examples of living arrangements that both help keep costs down for owners or renters and offer companionship and support to residents. Housing cooperatives can offer permanent affordable homeownership opportunities for low-income households, older adults, and for manufactured home park residents. Shared housing for older adults is also an emerging practice where unrelated or non-partnered people choose to live together.

**7. DEVELOP AFFORDABLE AND MIXED-INCOME HOUSING ON CITY-OWNED PROPERTIES**

HCD focuses on housing for low-income households. However, there are also several advantages to mixed-income housing. Market rate units help offset the cost of the affordable housing units and increase social diversity. The City's development arm will utilize city-owned sites to build affordable and mixed-income housing projects.

**7.1 DEVELOP A PHASED DEVELOPMENT PLAN FOR EXISTING CITY SITES**

Short-Term

The City already owns several properties and given the shortage of housing, it is important that housing be a priority for city land. HCD will develop a phased plan to advance housing projects on city-owned sites. This will involve an analysis of all city-owned properties using the checklist mentioned in priority #3.



*A concept by Poster Mirto McDonald for a city-owned site in Barrio Anita*

## **7.2 EXPLORE FEASIBILITY OF CITY- SITES ON SUNSHINE MILE**

Short-Term

The City of Tucson acquired properties along Broadway Boulevard for the road-widening project west of Country Club Road. There are a few remnant parcels the city owns adjacent to the roadway that might be viable sites for affordable housing projects. The City of Tucson will evaluate the feasibility of affordable or mixed-income housing on these sites.

## **7.3 STRATEGICALLY ACQUIRE NEW PROPERTIES TO ADVANCE THE CITY'S AFFORDABLE AND MIXED- INCOME HOUSING GOALS**

Short-Term

The City of Tucson is increasing its efforts on affordable housing development and as part of that, will consider acquiring land in key areas that align with the city's overall efforts at climate resiliency, social equity, community safety, and more. This includes considering properties in the city's "Key Areas to Revitalize" including Thrive in the 05, along key transit corridors, and currently vacant or underutilized shopping centers in areas of opportunity as described in Policy Initiative #3.

## **7.4 ADVANCE DEVELOPMENT ON PHASE 1 SITES**

Short-Term

HCD is actively working on plans to develop affordable housing on four city-owned sites. Two of the sites will advance the Thrive in the 05 goals while two are in historic neighborhoods where affordable housing is important to allow low-income

families access to historic, culturally rich neighborhoods.

## **THRIVE IN THE 05 SITES**

- Contzen Ave in Barrio Anita
- Navajo/Mohave Roads in Ward 3, Permanent Supportive Housing Project
- Stone and Speedway

## **HISTORIC, CULTURALLY VIBRANT NEIGHBORHOODS**

- 11th Ave in Dunbar Spring
- Westmoreland in Menlo Park

## **8. ENHANCE EFFORTS AIMED AT HOUSING TUCSONANS MOST VULNERABLE TO HOUSING INSTABILITY**

There are several existing efforts that target persons experiencing homelessness, older adults, persons with disabilities, veterans, youth, and victims of domestic violence. The City of Tucson can support these efforts and initiate additional efforts focused on these individuals and families most vulnerable to housing instability.

## **8.1 SUPPORT EMERGE TO EXPAND INTERIM HOUSING FOR INDIVIDUALS AND FAMILIES FLEEING DOMESTIC ABUSE**

Short-Term

Emerge Center Against Domestic Abuse is expanding its interim housing solutions for individuals and families fleeing domestic abuse. This is being accomplished by



converting existing congregate shelter space into temporary non-congregate housing for survivors with high risk of lethality. The City of Tucson has committed \$1M in HOME American Rescue Plan funding to match the contributions of Pima County and a family foundation.

### **8.2 SUPPORT THE WORK OF THE AFFORDABLE HOUSING ALLIANCE (AHA)**

Short-Term

In January of 2021, the Affordable Housing Alliance for Older Adults hosted an Affordable Housing Summit that provided community members with cutting-edge information about creating affordable, innovative, and sustainable housing for older adults. The Alliance is now focused on creating an Affordable Housing Action Plan for older adults with funding from Vitalyst Foundation. The City of Tucson has already demonstrated its commitment through the Age Friendly Plan that was adopted in May 2019 and will continue to collaborate with the Affordable Housing Alliance for Older adults in the development of the Action Plan.

### **8.3 SUPPORT SMALL SCALE HOUSING FOR YOUTH AND OLDER ADULTS**

Short-Term

A variety of housing options is an important aspect of meeting the housing needs in the region. Small scale development of typically 10 or less units, can be duplexes, triplexes, townhomes, or other innovative models of housing. The City of Tucson is committed to supporting community partner efforts to

construct this housing type for older adults or youth 18-24 years of age.



*Esperanza En Escalante, 44 one-bedroom units for housing for homeless veterans (Photo: AZ Daily Star)*

### **8.4 REHABILITATE THE TUCSON HOUSE**

Medium-Term

Tucson House was constructed in 1963 as a 17-story luxury apartment complex with large floor plans, attractive amenities, and sweeping desert views. In the mid-1970s, Tucson House occupancy declined as the area deteriorated and the federally insured mortgage was foreclosed. The property was auctioned in October 1976 to HUD, which provided a grant to the City of Tucson to purchase it and transition it into 408 units of public housing. Tucson House is now Home to over 450 residents, many of whom are older adults or disabled and represents 27 percent of the City's public housing inventory. Yet, at 60 years old, Tucson House needs a full rehabilitation. The City of Tucson has selected Gorman & Company (Gorman), to serve as the co-developer in the redevelopment. Gorman is an experienced affordable housing developer and will lead the project by developing a phased rehabilitation plan and develop the financing needed to complete the project.



*Tucson House, Tucson's largest public housing site*

### **8.5 SUPPORT NEW PERMANENT SUPPORTIVE HOUSING PROJECTS**

Ongoing

The Commission on Equitable Housing and Development believes that one of the City's efforts should be to increase permanent supportive housing that is not dependent on the private market that often have high barrier requirements for tenancy. CEHD also knows that the housing first approach is the best practice to address the need of housing for persons experiencing homelessness. As a result, CEHD submits to Mayor and Council the following recommendation to be carried out by Housing and Community Development Department.

*Starting in January 2022, HCD will open funding opportunities to develop at least one PSH project a year for the next five (5) with a maximum of 50 PBV vouchers or \$500,000 in HOME Funds committed to PSH projects. The developer or the service provider partner will be required to have a non-profit designation and the owner/ service provider must be committed to using a Housing First approach, serving individuals and families who meet HUD's definition of chronically homeless or literally homeless, participating in the Coordinated Entry System.*

## **9. PURSUE ADDITIONAL AND MORE SUSTAINABLE FUNDING STREAMS FOR AFFORDABLE HOUSING IN THE REGION**

There is more need to build and preserve affordable housing in our region than there is funding available to meet that need. The annual funds the City of Tucson receives to support housing for low-income housing is only enough to support a few projects each year. Fortunately, the American Rescue Plan Act has some additional resources to support the region's housing efforts but it is not a sustainable funding source in the long-term. More funding for affordable housing is a huge need in Tucson and throughout the country. Identifying new funding opportunities for affordable housing is one of the areas of focus for the Affordable Housing Subcommittee of the Commission on Equitable Housing and Development.

### **9.1 REINSTATE THE TUCSON HOUSING TRUST FUND**

Short-Term

Housing Trust Funds are one tool to fund affordable housing by using dedicated sources of public revenue to support housing. At the federal level, Congress passed the Housing and Economic Recovery Act of 2008. In 2016 the first \$174 million in HTF dollars were allocated to states. In 2021, Arizona received slightly over \$11 million primarily for the development of affordable housing.

Many local municipalities, including the City of Tucson, also adopted local housing trust funds. When Mayor and Council established the Tucson Housing Trust Fund (Tucson-HTF) in 2006, they identified the following funding streams: sale of city-owned properties, a fee on the conversion of rental properties, and unexpended funds from the utility service low-income assistance program. The Tucson-HTF was used to support downpayment assistance, employer-assisted housing, rental rehabilitation and security deposits, and homeowner repairs. The Tucson-HTF Citizens' Advisory Committee oversaw the collection and distribution of the funds. During the Great Recession, the identified sources for the Tucson-HTF were used to cover the budget deficits, leaving no dedicated funding source. The Commission on Equitable Housing and Development (CEHD) has developed a subcommittee to explore new potential funding streams to revive the Tucson-HTF.

With Mayor and Council support and direction, the Tucson-HTF can be reinstated and CEHD can continue to work on identifying potential funding streams and can serve in the role of overseeing the fund.

### **9.2 EVALUATE ADDING HOUSING IN A FUTURE BOND OR TAX MEASURE TO GO TO VOTERS**

Medium-Term

Many cities and counties add affordable housing to voter-approved funding initiatives. Pima County's previous general obligation bond measures included affordable housing funding. In November

of 2020, the City of Austin voters passed a property tax increase to raise an estimated \$7.1 billion for a major transit expansion; the measure includes \$300 million in Anti-Displacement funding to support affordable housing near the transit corridors. The Affordable Housing Subcommittee of the Commission on Equitable Housing and Development has expressed interest in advocating for a sustainable funding source for housing via a voter approved measure.

### **9.3 ADVOCATE FOR MORE STATE AND FEDERAL FUNDING FOR HOUSING**

Ongoing

Tucson is not unique in its housing challenges. Nearly every town and city across the country is experiencing a housing crisis. The crisis is the result of inequitable systems and it is important that the City support federal and state legislation that will increase the amount of funding available for affordable housing. A recent example of this was Mike Edmonds, a Tucson House resident and the Vice-Chair of the Commission on Equitable Housing and Development testified in front of the House Committee on Financial Services in support of public housing funding in the Build Back Better legislation.



Mike Edmonds testifying virtually for the Build Back Better legislation

In addition to federal advocacy, there is an opportunity to advocate on the state level. Every year, the Arizona State Legislature sets priorities, and this year, housing has been proposed under priority item 3i, which states:

- Invest in Local Economies and Infrastructure: Support the ability of cities to utilize strong economic development tools and increase infrastructure investment:
  - i. Increase affordable housing and reduce houselessness by supporting “Housing First” programs, additional funding for the State Housing Trust Fund and down payment assistance programs, and additional state personnel, technology and funding for the Arizona Department of Housing to implement affordable housing programs more quickly and efficiently

With Mayor and Council direction, the City can voice its support to the proposed priority.

## **10.EXPAND EDUCATION, OUTREACH, AND RESEARCH EFFORTS**

In a tight housing market, it’s critical that we effectively and efficiently utilize the resources that are currently available and understand emerging trends to respond to evolving needs. This includes new initiatives

to more successfully connect residents and landlords to resources and information as well as better outreach and education about existing programs.



*Section 8 Landlord discussing his positive experience working with voucher tenants*

### **10.1 HOUSING RESOURCE CONNECTION PROGRAM** Short-Term

As discussed throughout this plan, housing is a fundamental need for all individuals, yet it can also be extremely difficult to obtain, especially if the individual has limited income and other challenges such as poor rental and criminal history. The City will partner with Pima County and other community organizations to create a Housing Resource Connection program designed to help individuals navigate and secure housing.

### **10.2 EXPAND HOUSING EDUCATION EFFORTS** Ongoing

While existing programs to help Tucsonans afford housing are not enough to meet the current need, expanded education and outreach would help ensure they are readily available to those who need assistance.



## **• HOUSING CHOICE VOUCHERS (SECTION 8)**

Colloquially known as “Section 8,” Housing Choice Vouchers (HCV) are a flexible form of rental assistance that typically follow a household as they rent a private unit of their choice. The HCV program can help deconcentrate poverty and allow families to rent units in areas of higher opportunity than they would normally be able to afford, helping to create mixed-income neighborhoods. The vouchers help to subsidize regular units on the market and therefore don’t require expensive new construction. They also provide consistent market rate rent to the property owner. However, Housing Choice Vouchers have long received a bad rap. “Section 8” tenants have been stigmatized and landlords are discouraged from accepting vouchers due to past delays in receiving rent payments and other red tape. The city needs more landlords who will willingly accept Housing Choice Vouchers so voucher holders can more quickly find a suitable unit.

While resources are limited, it’s important to target these programs to those most in need. Education and outreach for these programs will also be focused towards high vulnerability areas.

## **• PROPERTY TAX REDUCTION / EXEMPTION PROGRAMS**

Rising housing prices can become a burden to low-income, older homeowners who cannot afford the increased property taxes on a fixed income. The Pima County Assessor offers a Senior Property Valuation

Protection or “Senior Freeze Program” to freeze the value of older adults’ property from increases. The City of Tucson will work with Pima County to promote this program and target residents in areas of the county most vulnerable to economic shocks using the Neighborhood Vulnerability Index.

## **• HOME REPAIR PROGRAMS**

The City of Tucson’s City Home Advocacy Rehabilitation Modification (CHARM) programs offer repair and rehabilitation services for mobile homes, minor and major home repair, and lead paint abatement in partnership with community agencies: DIRECT Center for Independence (DIRECT), Community Home Repair Projects of Arizona (CHRPA), Tucson Metropolitan Ministry (TMM), and FSL Home Improvements. These programs preserve existing unsubsidized affordable housing and ensure that low-income Tucsonans can remain in their homes.

While resources are limited, it’s important to target these programs to those most in need.

## **• FAIR HOUSING**

Under the federal Fair Housing Act, the City of Tucson has an obligation to “affirmatively further fair housing” by not only seeking to eliminate discrimination in rental and mortgage practices, but also to take meaningful actions to overcome longstanding patterns of segregation. Working with the Commission on Equitable Housing and Development’s (CEHD)



Housing Segregation Subcommittee and community partners like the Southwest Fair Housing Council and SERI (Sonora Environmental Research Institute), the City of Tucson will explore ways to better educate Tucson landlords and the general public about fair housing practices and housing segregation.

In addition to the actions proposed under Policy Initiative 3 to help undo patterns of housing segregation, the City of Tucson again under the direction of the CEHD Housing Segregation Subcommittee will work to build awareness among policy makers and the public about the racist policies used to segregate housing nationally and in Tucson. This common knowledge base will serve as a platform for informed policy recommendations to affirmatively further fair housing in the city.

### **10.3 CONTINUE RESEARCH INTO TRENDS IN THE HOUSING MARKET**

Ongoing

As discussed in the Data Snapshot in Section 2 of this plan, the City of Tucson has recently undertaken numerous data gathering efforts to better understand the recent changes and long-term trends in the housing market across Tucson and the region. However, we know this is an ongoing need. Not only do key indicators like housing cost burdened households change over time, but new trends and concerns also emerge. For example, over the past year or so, Tucson has anecdotally seen an increase in outside investors purchasing residential properties, contributing to rising housing prices. The

extent of this issue and potential policy initiatives to make housing more attainable for local residents is unknown. The City of Tucson will continue to update existing metrics to track trends in housing like the Neighborhood Vulnerability Index and Poverty and Urban Stress Report. Additionally, the City will seek out new data and research on emerging trends on an ongoing basis.

## **4. FUNDING & RESOURCE OVERVIEW**





## 4. FUNDING & RESOURCE OVERVIEW

It is important to understand the cost of developing housing when discussing funding and resources needed to add housing units to the City of Tucson. The cost to construct or rehabilitate an affordable housing unit varies depending on several factors including location, building materials, size, requirements, labor costs, and more. Recent large-scale multi-family affordable housing, that receive Low Income Housing Tax Credit funding, report that the average cost to develop new multifamily units is \$200,000 per door. In some projects, this has been significantly higher due to recent increases in costs in labor and materials. The additional challenge is ensuring the property is sustainable once it is open because the rents are set by Arizona Department of Housing and are below market rents. Funding units often requires many layers of financing and has complex compliance requirements. The City of Tucson is one of the funders that supports housing development to assist low to moderate income households. It is imperative that the City of Tucson maximizes the available funding and ensure it is strategic in supporting as many projects as possible for Tucson.

### ANNUAL FUNDING

This section shows the approximate annual funding that Housing and Community Development (HCD) receives each year to support housing for low-income families.

HOME Program - \$2.5M

Housing Choice Voucher \$47M  
(includes Project Based Vouchers)

Housing for Persons with  
HIV/AIDS (HOPWA) \$850K

CDBG Decent Affordable Rental  
and Homeowner Housing \$1.8M

Public Housing \$10M

*Approximate Annual Funding for Available Housing*

## Committed Funding

However, it is important to understand that most of the funding that HCD receives is committed to the HUD-assisted residents — public housing residents or Housing Choice Voucher recipients. HCD supports over 17,000 individuals who have an average income of approximately \$11,038. Some of the funding goes towards programs to help low-income homeowners with needed repairs, downpayment assistance for new homeowners, and tenant-based rental assistance such as security and utility deposits. The images and charts below provide a snapshot of Tucson's HUD-assisted residents.

## Available Annual Funding

Examining what is already committed, HCD has approximately \$1.75M in HOME funding each year to support affordable housing development. Fifteen percent of


the total annual HOME funding, which is approximately \$370,000, must go to a Community Housing Development Organization (CHDO). A CHDO is a non-profit, community-based organization that has staff with the capacity to develop affordable housing for the community it services. There is a HUD-required qualification process to be designated as a CHDO that considers factors such as organizational structure, capacity, and experience.

HOME  
\$370k for Community Housing  
Development Organizations  
(CHDO)  
\$1.45M

Project Based Vouchers  
50/year for next 5 years

*Approximate Annual Resources that are Available for Affordable Housing*

## SNAPSHOT OF TUCSON'S HUD-ASSISTED RESIDENTS




**45.1%**  
of all households members  
are children (under 18)




**17,000+**  
Total Residents



**\$11,038**  
Average Annual  
Household Income



**47.8%**  
of all households report a  
member with a disability



**7,200+**  
total households in HCD Programs  
(including Public Housing, Housing Choice  
Vouchers Section 8, EI Portal, etc.)

*Snapshot of Tucson's HUD-Assisted Residents*

In addition to HOME funding, HCD is committed to supporting affordable housing by committing up to 50 Project Based Vouchers (PBVs) per year for the next five years.

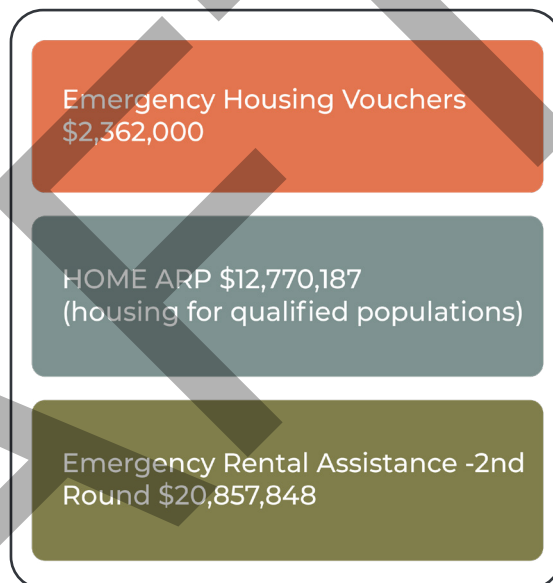
Annual HOME funding and PBVs will be allocated by a competitive RFP process that will align with the Arizona Department of Housing Qualified Allocation Plan (QAP) process that determines Low Income Housing Tax Credit allocation.

### **American Rescue Plan Act Funding Restricted for Housing**

In addition to supporting general government and community recovery from the COVID-19 pandemic, The American Rescue Plan Act (ARPA) appropriated federal funds for the specific purposes of preventing and responding to housing insecurity and homelessness. Through these appropriations, the City of Tucson and Pima County received an additional \$12.7M in HOME American Rescue Plan (HOME-ARP) funds. Congress also funded a new program called Emergency Housing Voucher Program (EHV). The City and County received a total of 202 Housing Choice Vouchers under this new EHV program. The City received a second round of Emergency Rental Assistance Program (ERAP) funds in the amount of \$32 million.

The City of Tucson and Pima County act as a consortium for the implementation of HOME funds. The supplemental HOME-ARP allocation has been made under this consortium and can be used to support

housing for qualified populations such as persons experiencing homelessness and victims of domestic abuse. The City of Tucson and Pima County anticipate expanding non-congregate shelter/ bridge housing options and affordable rental housing units for use in permanent supportive projects with these funds.



*American Rescue Plan (ARPA) Funding dollars restricted for Housing*

The Emergency Housing Voucher funding provided an additional 202 vouchers to help both those who are homeless and persons fleeing domestic violence. This includes services not traditionally provided with Section 8 voucher programs such as housing search assistance, furnishings, limited supportive services, landlord incentives, and other aid to promote rapid entry and success.

The ARPA funding for Emergency Rental Assistance provided additional rent and utility assistance for households facing eviction. This funding is administered by the Community Investment Corporation



(CIC) and between this funding and the previous Rent and Utility funding over 6,400 households have received support and over \$33M has been distributed in the region.

## ARPA State and Local Fiscal Recovery Funding (SLFRF)

The American Rescue Plan Act also included Local Fiscal Recovery Funding to meet pandemic response needs and rebuild a stronger, more equitable economy. The Mayor and Council adopted the following framework to guide decisions around the city's SLFRF allocation.

At the October 5, 2021 Study Session, Mayor and Council approved \$9.25M in funding to promote Affordable and Stable Housing. The following is a preliminary distribution of the funding, though there is flexibility built into the process to allow for changes in the funding between these categories to best meet the needs of the community. For the categories that are shown as 'Partner Funding', the City of Tucson will facilitate a grant application process that will be scored using the framework criteria that Mayor and Council established.

### Preliminary Funding Distribution

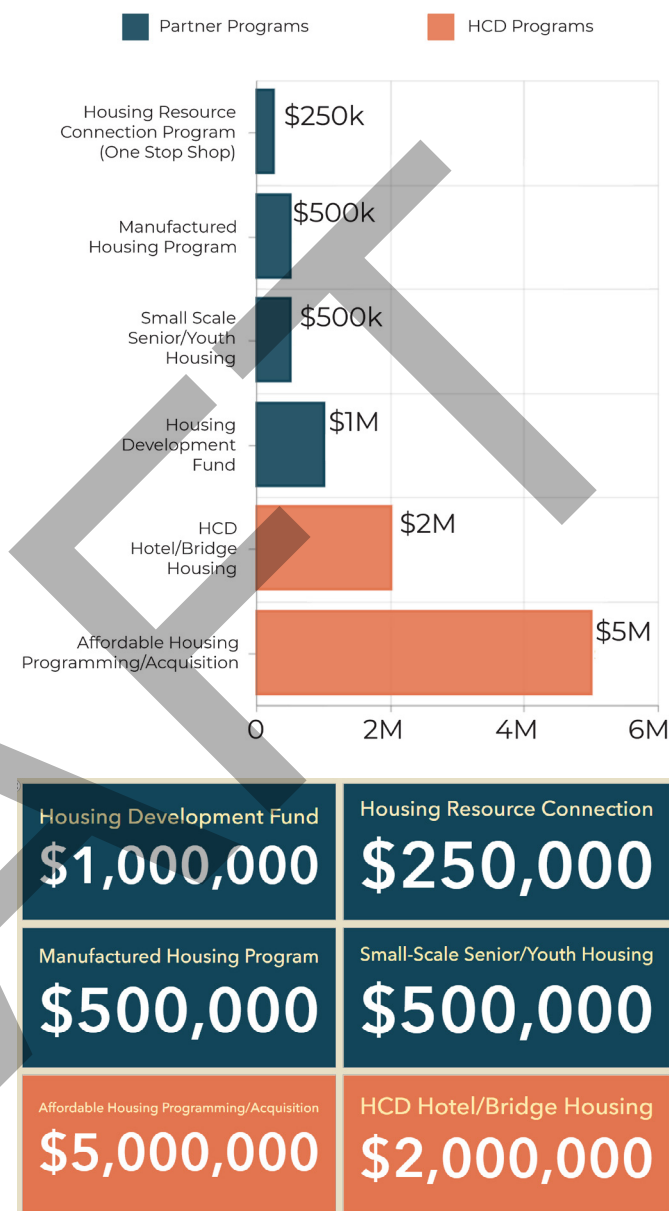


Figure 4: Preliminary Affordable and Stable Housing SLFRF distribution

## **5. SHORT-TERM ACTION PLANS**





## 5. SHORT-TERM ACTION PLANS

The motion passed by Mayor and Council regarding the creation of this housing plan included direction to focus on *‘developing specifics for short-term goals so that the Mayor and Council, as the governing body, can take immediate action and to incorporate any ARPA dollars identified or any other funding sources for affordable housing into the plan’.*

All ten policy initiatives included in the HAST Plan has an ‘action plan’ that lays out specific steps the City of Tucson will take to ensure the short-term and ongoing actions are achieved. A few of the initiatives suggest an action that Mayor and Council can consider immediately to support the initiative.

The action plans are built into the HAST website in a way that will track progress overtime. We encourage anyone interested in this topic to check the website periodically to see updates on the initiatives and actions described in this plan. By doing this, the HAST plan is a living and breathing document and ultimately the city actions will ensure more housing gets built in the region.

# **IMMEDIATE MAYOR AND COUNCIL ACTIONS FOR CONSIDERATION**

- 1. Direct HCD to return to Mayor and Council with resolution to adopt the Housing Affordability Strategy for Tucson, with the added direction and changes discussed**

(Overall HAST Action)

- 2. Approve and adopt the geographical areas outlined in the Community Revitalization Areas map**

(HAST Policy Initiative 3: Prioritize Affordable Housing in Areas of Opportunity)

- 3. Direct Planning and Development Services (PDSD) that is currently developing an amendment to the commercial parking code to include affordable housing projects as eligible projects to request a parking reduction**

(HAST Policy Initiative 5: Update Zoning Regulations to Encourage Affordable Housing)

- 4. Direct staff to develop language to amend the affordable housing impact fee waiver program for any affordable housing project that meets affordability terms; subject to available funding**

(HAST Policy Initiative 6: Facilitate Development by Reducing Costs and through Innovation)

- 5. Direct HCD to implement the CEHD recommendation to issue an annual funding process to develop at least one Permanent Supportive Housing project per year for the next five (5) years with a maximum of 50 Project Based Vouchers and/or \$500,000 in HOME Funds for such projects starting January 2022**

(HAST Policy Initiative 8: Enhance Efforts Aimed at Housing Tucsonans Most Vulnerable to Housing Instability)

- 6. Support the inclusion of Affordable Housing and Homelessness Support in the 2022 City of Tucson State Legislative Agenda, including advocacy for more LIHTC funding allocated to Tucson projects and to remove the State's preemption against local adoption of inclusionary zoning.**

(HAST Policy Initiative 9: Pursue Additional and More Sustainable Funding Streams for Affordable Housing in the Region)

<b>HAST POLICY INITIATIVES</b>		Short <i>Less than 2 years</i>	Medium <i>2-5 years</i>	Ongoing <i>Over 5 years</i>
<b>1. Transform Public Housing</b>				
a.	Create a repositioning plan to meet the objectives of increased affordable housing for PHA Board of Commissioners Approval	✓		
b.	Submit first Rental Assistance Demonstration Application to HUD	✓		
<b>2. Build Capacity in Tucson around Affordable Housing Development</b>				
a.	Create an HCD Development Arm	✓		
b.	Support community partners in development			✓
<b>3. Prioritize and Facilitate Affordable Housing in Areas of Opportunity</b>				
a.	Create a Checklist	✓		
b.	Evaluate changes to the City's Human Relations Ordinance, Tucson Code - Chapter 17	✓		
c.	Promote Housing in Key Revitalization Areas			✓
<b>4. Expand Efforts to Preserve and Enhance Existing Housing</b>				
a.	Launch pilot Accessory Dwelling Units Improvement Program	✓		
b.	Develop manufactured housing rehabilitation initiative to support affordable homeownership opportunities	✓		
c.	Create a new rehabilitation program for multi-family rental buildings		✓	
d.	Work with Arizona Department of Housing to identify and support continuing affordability terms of expiring projects			✓
<b>5. Update Zoning Regulations to Encourage Affordable Housing</b>				
a.	Incorporate incentives into planning and overlay zoning on transit corridors	✓		
b.	Promote high-quality, climate-adapted, and attractive design of new housing		✓	
c.	Update development standards and create tools to incentivize affordable housing			✓



<b>HAST POLICY INITIATIVES</b>		Short <i>Less than 2 years</i>	Medium <i>2-5 years</i>	Ongoing <i>Over 5 years</i>
<b>6. Facilitate Development by Reducing Costs and through Innovation</b>				
a. Streamline development review process for affordable housing projects	✓			
b. Evaluate expansion of the affordable housing impact fee program	✓			
c. Incentivize ADU construction to add affordable rental units to the market			✓	
d. Promote low-cost development and ownership methods such as modular homes, 3D-printed homes, shared housing, housing cooperatives, etc.				✓
<b>7. Develop Affordable and Mixed-Income Housing on City-Owned Properties</b>				
a. Develop a phased development plan for existing city sites	✓			
b. Explore feasibility of city-sites on Sunshine Mile	✓			
c. Strategically acquire new properties to advance the city's affordable and mixed-income housing goals	✓			
d. Advance development on Phase 1 sites	✓			
<b>8. Enhance Efforts Aimed at Housing Tucsonans Most Vulnerable to Housing Instability</b>				
a. Support Emerge to expand interim housing for individuals and families fleeing domestic abuse	✓			
b. Support the work of the Affordable Housing Alliance	✓			
c. Support small scale housing for youth and older adults	✓			
d. Rehabilitate the Tucson House			✓	
e. Support new Permanent Supportive Housing Projects				✓
<b>9. Pursue Additional and More Sustainable Funding Streams for Affordable Housing in the Region</b>				
a. Reinstate the Tucson Housing Trust Fund	✓			
b. Evaluate adding housing in a future bond or tax measure to go to voters			✓	
c. Advocate for more state and federal funding for housing				✓
<b>10. Expand Education, Outreach, and Research Efforts</b>				
a. Housing Resource Connection Program	✓			
b. Expand housing education efforts				✓
c. Continue research into trends in the housing market				✓

## 1. TRANSFORM PUBLIC HOUSING

### INITIATIVE 1 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Receive technical assistance from HUD to develop general repositioning strategy	12/31/2021		In Progress
Work with an on-call consultant to implement Repositioning Plan	1/1/2022	PHA	
Present Repositioning Plan to PHA Board of Commissioners	4/1/2022		
Submit first Rental Assistance Demonstration to HUD	6/1/2022		

## 2. BUILD CAPACITY IN TUCSON AROUND AFFORDABLE HOUSING

### INITIATIVE 2 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Work with Co-Developers to assist with current projects	Varies		See initiative #7 for more details
Hire a dedicated staff person for affordable housing development	2/28/2022	Grant funded	
Establish a development entity	7/1/2022		Legal Counsel assisting with this
Develop a clear process to allocate gap funding / Project Based Vouchers that aligns with the state QAP timing	12/31/2021	HOME HOME-ARP Housing Choice Voucher	First RFP expected to be released in January 2022
Provide technical assistance and other support to build capacity for more incremental development as well as larger scale development	Ongoing		HCD staff receiving 3-part training fall 2021
Select partners for Affordable and Stable Housing SLFRF ARPA Projects	2/1/2022	SLRF-ARPA	

### 3. PRIORITIZE AFFORDABLE HOUSING IN AREAS OF OPPORTUNITY

#### INITIATIVE 3 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Develop a draft quantitative checklist that reflects the City's interrelated priorities to help site new affordable housing	1/15/2022		See Attachment B for draft criteria
Work with CEHD to refine the checklist	3/1/2022		
Finalize checklist	6/30/2022		
Discuss source of income protection with Mayor and Council	12/21/2021		
Research source of income protection ordinances			
Develop enforcement plan for income protection ordinance if code amendment is pursued			

#### Immediate Mayor and Council Action:

Approve and adopt the geographical areas outlined in the Community Revitalization Areas map.

#### 4. EXPAND EFFORTS TO PRESERVE AND ENHANCE EXISTING HOUSING

##### INITIATIVE 4 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Build new ADU Improvement Program into the Homeowner Rehabilitation Website / Application Process	3/1/2022	CDBG	See Attachment C for program summary
Start advertising ADU program and accepting applications	6/1/2022	CDBG	See Attachment C for program summary
Select partners for Affordable and Stable Housing SLFRF ARPA Manufactured Home Rehabilitation Program	2/1/2022	SLFRF-ARPA	
In quarterly meetings with ADOH, identify upcoming expiring projects and discuss options on continuing affordability terms	Ongoing		



## 5. UPDATE ZONING REGULATIONS TO ENCOURAGE AFFORDABLE HOUSING

### INITIATIVE 5 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Study the Tucson market and the Sunshine Mile Overlay affordable housing incentive and develop recommendations for revised or new incentives	2/1/2022	CDBG	ECONorthwest is currently working on this
Look for ways to update our code to incentivize affordable housing development by providing relief from standards which could include: parking requirements, setbacks, lot coverage, and to possibly include additional height/density options.			
Explore ways to promote a range of “missing middle” housing types such as bungalow courts and rowhouses			
Support climate-adapted development by revamping existing tools and exploring new regulations and incentives			
Ensure a mix of housing types and densities in major growth areas such as the Southlands			The Atterbury Trails Planned Community Development allows a range of uses and densities; discussions with ASLD for future development areas will also incorporate this goal

### **Immediate Mayor and Council Action:**

Direct Planning and Development Services that is currently developing an amendment to the commercial parking code to include affordable housing projects as eligible projects to request a parking reduction

DRAFT

## 6. FACILITATE DEVELOPMENT BY REDUCING COSTS AND THROUGH INNOVATION

### INITIATIVE 6 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Initiate a formal policy to expedite permitting for affordable housing projects.			Tied to larger resource discussions/ PDSD staffing and requires coordination with departments involved in development review
Explore expanding the eligibility for Impact Fee waivers and/or reducing permit fees for affordable housing projects.			
Collaborate with AIA Southern Arizona chapter on a design competition for model plans for ADUs in Tucson			In progress
Talk to community partners about funding opportunities to make ADUs more affordable			Discussions with Community foundation in progress; need to reach out to IDA

**Immediate Mayor and Council Action:**

Direct staff to develop language to amend the affordable housing impact fee waiver program for any affordable housing project that meets the affordability terms; subject to available funding

DRAFT

## 7. DEVELOP AFFORDABLE AND MIXED-INCOME HOUSING ON CITY-OWNED PROPERTIES

### INITIATIVE 7 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Prioritize acquisition opportunities on TOD Corridors and in the Thrive in the 05	Ongoing	SLFRF-APR	EcoNorthwest studying TOD opportunities; Co-Developer exploring Thrive in 05
Develop a strategy for each of the Phase 1 sites	1/1/2022	CDBG	BAE Urban Economics currently working on this
Site feasibility study for Sunshine Mile sites	2/1/2022	CDBG	EcoNorthwest currently working on this



**8. ENHANCE EFFORTS AIMED  
AT HOUSING TUCSONANS  
MOST VULNERABLE TO  
HOUSING INSTABILITY**

## INITIATIVE 8 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Develop a clear process gap funding/ PBVs allocation that aligns with the state QAP timing	12/31/2021	HOME HOME-ARP	First RFP expected to be released in January
Coordinate with Emerge to ensure current project meets all the federal requirements	3/1/2022	HOME-ARP	Funding commitment letter sent
Select partners for Affordable and Stable Housing SLFRF ARPA Small Scale Housing for Youth and Older Adults	2/1/2022	SLFRF-ARPA	
Coordinate with the Affordable Housing Alliance on HAST and their Action Plan	2/1/2022		

### Immediate Mayor and Council Action:

Direct HCD to implement the CEHD recommendation to issue an annual funding process to develop at least one Permanent Supportive Housing project per year for the next five (5) years with a maximum of 50 Project Based Vouchers or \$500,000 in HOME Funds for such projects starting January 2022.

**9. PURSUE ADDITIONAL AND  
MORE SUSTAINABLE FUNDING  
STREAMS FOR AFFORDABLE  
HOUSING IN THE REGION**

## INITIATIVE 9 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Evaluate revenue source options for reinstating a Housing Trust Fund	12/31/2022		
Mayor and Council support housing as a key priority in the annual Legislative Agenda	12/31/2022		

### Immediate Mayor and Council Action:

Support the inclusion of Affordable Housing and Homelessness Support in the 2022 City of Tucson State Legislative Agenda, including advocacy for more LIHTC funding allocated to Tucson projects and to remove the State's preemption against local adoption of inclusionary zoning.

## 10. EXPAND EDUCATION, OUTREACH, AND RESEARCH EFFORTS

### INITIATIVE 10 ACTION PLAN

TASKS	TENTATIVE DEADLINE	FUNDING	NOTES
Select partners for Affordable and Stable Housing SLFRF ARPA funds for the Housing Resource Connection Program	2/1/2021	SLRF-ARP	
Update online Poverty and Urban Stress maps and Neighborhood Vulnerability Index with 2020 data	6/1/2022		HCD staff will update
HCD staff attend community resource fairs and neighborhood meetings to share information about home repair and HCV programs	Ongoing		
CEHD Housing Segregation Subcommittee coordinate educational campaign about housing segregation in Tucson	12/31/2022		
Work with Pima County and ward offices to continue to host Housing Resource Fairs around the area	Ongoing		

The background features a large, light beige circle in the top left, a dark navy blue circle in the middle left, and a large, light beige circle at the bottom. A black circle is in the bottom left. A large, light gray, semi-transparent word 'DRAFT' is oriented diagonally across the center. Numerous small, light beige dots are scattered across the upper half. In the bottom right, there is a complex geometric pattern of thin, gold-colored lines forming a series of interconnected rectangles and squares. A thin black curved line starts from the top right and extends towards the center.

## 6. APPENDIX A: GLOSSARY OF KEY TERMS



## 6. APPENDIX A: GLOSSARY OF KEY TERMS

**ADA Accessible** – The Americans with Disabilities Act, or ADA, requires individuals with disabilities have equal opportunity access to public areas. Apartment and rental properties fall under this category.

**Affordable Housing** – Housing that a household can pay for, while still having money left over for other necessities like food, transportation, and health care. An affordability metric often used is ‘Housing Cost Burden’ or housing in which the occupant(s) is/are paying more than 30% of their income on housing.

**Affordable Housing Developer** – A person or entity that performs professional work in the development of housing projects to provide affordable housing to those with low incomes including families, seniors, people with disabilities and people experiencing homelessness. The Housing Developer takes the lead role in managing the development process—e.g., identifying sites, evaluating project feasibility, securing financing, and supervising construction.

**Aging in Place** – The ability to live in one’s own home and community safely, independently, and comfortably, regardless of age, income, or ability level.

**Area Median Income (AMI)** – The midpoint of a region’s income distributing, meaning that half of the households in a region earn more than the median and half earn less than the median.

**Asset Repositioning** – HUD has made various strategies available to public housing agencies (PHAs) to reposition public housing developments. These strategies may enable PHAs to provide thousands of families across the country with better-maintained units while creating opportunities to leverage public and private resources, easing administration, and preserving affordable housing. Repositioning moves families from a public housing platform to other forms of HUD rental assistance, such as Housing Choice Vouchers (HCV), or Project-Based Vouchers (PBV). This change can help PHAs preserve affordable housing units, address rehabilitation and physical needs, and place properties on a more stable financial foundation.

**City** – The City of Tucson

**Displacement** – Changes in the aspects of a neighborhood that have provided long-time residents with a sense of belonging and allowed residents to live



their lives in familiar ways. As the scale of residential change advances, and shops and services shift to focus on new residents, remaining residents may feel a sense of dislocation despite physically remaining in the neighborhood. This may also reflect the changing racial or ethnic character of the neighborhood—not just its class composition.

**Emergency Shelter** – Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

**Equity** – An equity strategy is one that addresses people’s needs based on their life and historical context. Equity is achieved when race can no longer be used to predict life outcomes and outcomes for all groups are improved.

**Eviction** – Eviction is the civil process by which a landlord may legally remove a tenant from their rental property. Eviction may occur when the tenant stops paying rent, when the terms of the rental agreement are breached, or in other situations permitted by law.

**Extremely Low Income** – A very low-income household whose income does not exceed the higher of the poverty guidelines or 30% of the Area Median Income.

**Fair Market Rent (FMR)** – The rent amount, including utilities, to rent privately owned,

decent, safe, and sanitary rental housing of a modest (non-luxury) nature.

**Foreclosure** – A legal process that allows lenders to recover the amount owed on a defaulted loan by taking ownership of and selling the mortgaged property.

**Gentrification** – A process of neighborhood change in a historically disinvested neighborhood. This change may include cultural change, income levels, demographic change, education level, and neighborhood appearance or character.

**HAST** – Housing Affordability Strategy for Tucson

**HCD** – The City of Tucson’s Housing and Community Development Department

**Homelessness** – When a person lacks a fixed, regular, and adequate nighttime residence, and if they sleep in a shelter designated for temporary living accommodations or in places not designated for human habitation.

**Housing Choice Voucher** – The housing choice voucher program is the federal government’s major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants can find their own housing, including single-family homes, townhouses, and apartments.

**Housing Cooperatives** – An alternate form of ownership of homes and property,

in which the property is owned by an organization and then sold as shares to the residents of the community. Cooperative housing splits costs on shared housing amenities, and is frequently used as a part of an intentional community initiative.

**Housing Discrimination** – Arizona law protects your right to have a place to live and makes it unlawful for any person to discriminate in connection with housing because of an individual's race, color, religion, sex, national origin, familial status or physical or mental disability.

**Housing and Transportation Index** – The Center for Neighborhood Technology's Housing and Transportation Index provides a more comprehensive understanding of housing affordability by including transportation as a key household expense.

**Housing First** – An approach to connect individuals and families experiencing homelessness quickly and successfully to permanent housing without preconditions and barriers to entry [...] Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

**Housing Segregation** – Housing segregation refers to the discriminatory treatment practiced on African American or other minority groups in U.S. It is the practice of denying equal access to housing or available units through the process of misinformation, denial of realty and

financing services, and racial steering.

**Housing Stock** – The terms housing stock and housing inventory [...] are defined as the total number of dwelling units standing at a given time within a specific area.

**HUD** – United States Department of Housing and Urban Development

**Landlord** – A property owner who rents or leases that property to another party in exchange for rent payments.

**Lease** – A lease is a contract outlining the terms under which one party agrees to rent an asset—in this case, property—owned by another party. It guarantees the lessee, also known as the tenant, use of the property and guarantees the lessor—the property owner or landlord—regular payments for a specified period in exchange.

**Low Income** – A household whose income does not exceed 80% of the Area Median Income.

**Low Income Housing Tax Credit**

**(LIHTC)** – A tax incentive to construct or rehabilitate affordable rental housing for low-income families. LIHTC subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low and moderate-income tenants.

**9% Credit** – a competitive tax credit allocation for the construction of affordable rental housing. It typically covers most of the cost of new construction. Tax credit units have set rents and prospective tenants must meet income limit requirements.

**4% Credit** – is not competitive and does not cover the total cost of new construction. As a result it is typically claimed for rehabilitated affordable housing and new construction affordable units that are financed with tax-exempt bonds or other subsidies.

**Manufactured Homes** – completely constructed in a factory and then transported to the home site. Once they arrive at their destinations, they are indistinguishable from site-built homes. They are not usually moved again.

**Market Rate Housing** – Housing that is not restricted by income.

**Missing Middle Housing** – A range of multiple-unit or clustered housing types that is compatible in scale to single-family homes that help meet the growing demand for walkable urban living.

**Mixed-Income Housing** – Housing that is comprised of a mix of both affordable and market-rate units to serve a mix of incomes.

**Mixed-Use Development** – Mixed-use describes a development that contains two or more types of uses such as residential, retail, office, hotel, or other functions.

**Moderate Income** – a household whose income is between 80% and 120% of the Area Median Income.

**Moderate to High Income** – a household whose income is higher than 120% of the Area Median Income.

**Multi-Family Housing** – Multifamily housing is defined as a building that houses more than one family at a time.

Apartments, condos, townhouses, duplexes, and quadruplexes are all examples of multifamily housing options. The building can be owned by one person who rents out the units, or each unit can be owned individually.

**Naturally Occurring Affordable Housing** – refers to residential rental properties that maintain low rents without federal subsidy.

**Occupied Units** – a house, an apartment, a group of rooms, or a single room occupied as separate living quarters.

**Project Based Vouchers** – Project-based vouchers are attached to a specific unit whose landlord contracts with a housing agency to rent the unit to low-income families. Unlike old-style project-based rental assistance, PBVs do not require families to live in a particular location to receive help paying the rent.

**Public Housing** – established to provide decent and safe rental housing for eligible low-income families, the elderly and person with disabilities.

**Qualified Allocation Plan (QAP)** – describes the process for allocation of Low-Income Housing Tax Credit (LIHTC).

**Rapid Rehousing** – Rapid rehousing is a form of supportive housing which provides time-limited rental subsidy and supportive services for periods of time ranging from 1-24 months.

### **Rental Assistance Demonstration (RAD)**

– allows public housing agencies to convert public housing to project-based Section 8 housing.

**Section 8** – A federally funded rental assistance program that pays private landlords the difference between what a low-income household can contribute and the fair market rent.

**Supportive Housing** – combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities.

**Transitional Housing** – A project that provides temporary lodging and is designed to facilitate the movement of homeless individuals and families into permanent housing within a specified period, but typically no longer than 24 months.

**Very Low Income** – a household whose income does not exceed the higher of the poverty guidelines or 50% of the Area Median Income.

**Workforce Housing** – Housing for households making between 80-120% Area Median Income.

## **APPENDIX B: CITY OF TUCSON AFFORDABLE HOUSING CHECKLIST - DRAFT NOV 2021**

Affordable Housing has been identified as a high priority area by the Tucson Mayor and Council. As such, it is important that investment in affordable housing is strategic and aligns with other important priority areas such as climate resiliency and advancing social equity. The checklist below is designed to help prioritize city investment for affordable housing.

### **FACTORS CONSIDERED BY THE CITY OF TUCSON IN SELECTING AFFORDABLE HOUSING PROJECTS**

The following list show factors that the City of Tucson considers before acquiring properties or investing in affordable housing projects. This list will be turned into a point-based system and will be used to inform locations for acquisition, asset repositioning strategies, HOME and project-based vouchers application processes, and more. This scoring criteria could also be integrated into policies such as the impact fee waiver or lowering permit fees for affordable housing projects.

## **Checklist Criteria**

### Part 1: Site Considerations

#### **• ACCESS TO PUBLIC TRANSPORTATION**

#### **• COMMUNITY ASSETS**

- Employment
- Grocery Stores
- Libraries and Recreation Centers
- Health Care Facilities
- Quality Schools

#### **• KEY SITE FACTORS**

- Zoning
  - Along TOD projects, higher density residential zoning scores higher
- Flood Zone
- Size of lot

#### **• AREAS OF OPPORTUNITY**

- De-concentration of subsidized housing (Public Housing/LIHTC)
- De-concentration of communities of color (reducing housing segregation)
- De-concentration of low-income households

## Part 2: Project Considerations

Other factors to be included in application processes for city investments or incentives

- Permanent Supportive Housing
- Veteran Housing
- Persons with Disabilities/Older Adults
- Lower Affordability Limits (projects with lower AMI score higher)
- Longer Affordability periods (projects with longer affordability requirements score higher)
- If not PSH, providing some additional services



## **APPENDIX C: HAST OUTREACH AND ENGAGEMENT**

### **Background**

The Housing Affordability Strategy for Tucson (HAST) was developed based on input from stakeholders and Tucson residents. This included engagement efforts focused specifically on the HAST Plan but also based on conversations and public meetings related to other efforts including the People, Communities, and Homes Investment Plan (P-CHIP) and Central Business District boundary expansion.

### **HAST Public Meetings**

During the end of October 2021, Housing and Community Development (HCD) held a virtual meeting focused on housing developers and then two meetings to gather feedback from local residents and other stakeholders; one of the public meetings was virtual while the other one was in-person.

Many great questions and comments were made during the public meetings. The HAST website includes a Question and Answer section that posts comments and questions related to the plan. In addition, the website also hosts a recording of the virtual public meeting.

[HAST Public Engagement Webpage](#)

### **Developer Stakeholder Meeting**

October 26th, 2021 10:00 – 11:30 a.m., Zoom Meeting

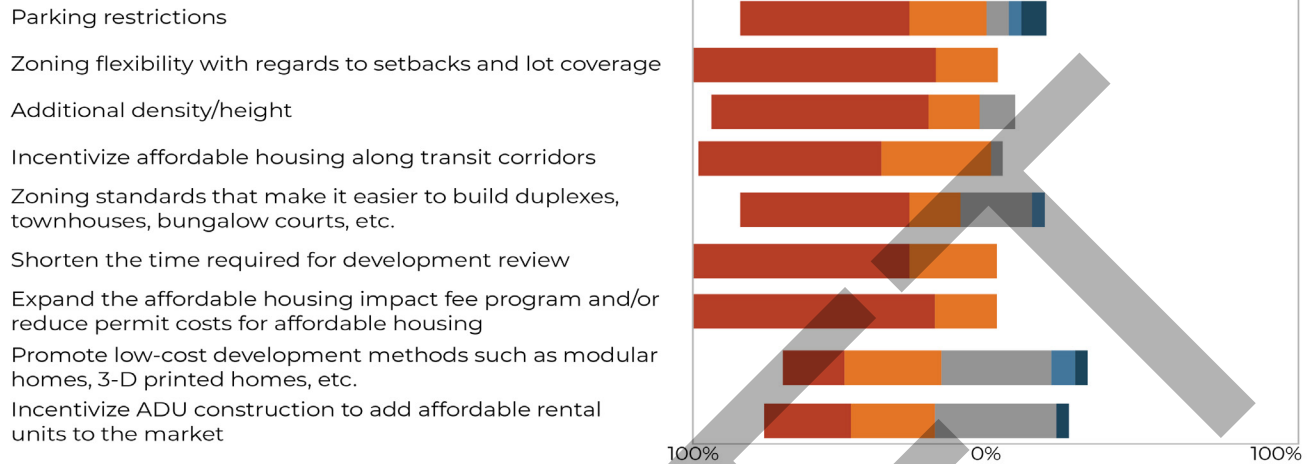
Over thirty (30) participants attended the virtual meeting for developers. Staff presented on the plan and answered overall questions related to the plan. Substantial time was given for zoom breakout rooms where developers were asked to provide input on specific actions the city can take to support affordable housing development. The breakout rooms provided rich conversations and input that was included as part of the policy initiatives and actions.

During the presentation developers were asked to take a poll regarding which of the HAST strategies were the most useful for encouraging more affordable housing development. The results of the poll are shown below.

## HAST Developer Meeting Poll

Please rate the following strategies according to their usefulness in regard to your ability to build and preserve affordable housing.

Very Useful Useful Neutral Not Useful Really Not Useful



## HAST Public Meeting #1

October 26th, 2021 4:30 – 6:30 p.m., Zoom Meeting

The virtual public meeting was attended by 32 participants who gave constructive feedback on the plan strategies and goals. The attendees were given an opportunity to join a break-out session to discuss the draft policy initiatives and actions in more depth. The attendees were asked to prioritize the 10 HAST Policy Initiatives based on the presentation. The results of this poll are below.

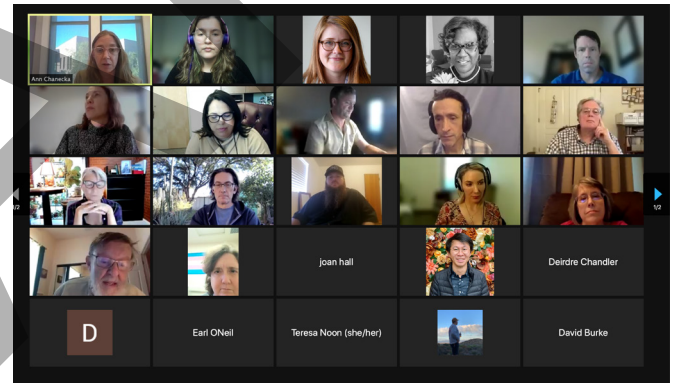


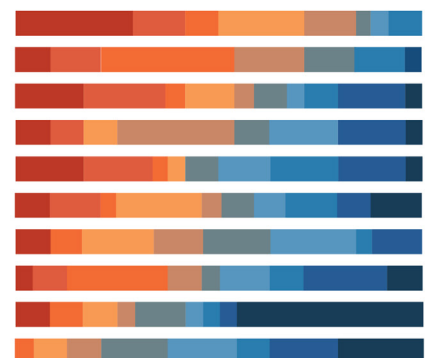
Figure 6.x: Screenshot from the Virtual HAST Public Meeting

## HAST Public Meeting Poll

Please prioritize the 10 HAST Policy Initiatives in order from most important to least important.

1. Build Capacity in Tucson Around Affordable Housing Development
2. Enhance Efforts Aimed at Housing Most Vulnerable Tucsonans
3. Pursue Funding Streams for Affordable Housing
4. Transform Public Housing
5. Expand Efforts to Preserve and Enhance Existing Housing
6. Develop Affordable Mixed-Income Housing on City Owned Property
7. Prioritize Affordable Housing in Area of Opportunity
8. Update Zoning Regulations to Encourage Affordable Housing
9. Expand Education and Outreach Efforts
10. Facilitate Development by Reducing Costs Through Innovation

First Choice Last Choice



## HAST Public Meeting #2

October 27th, 2021 4:30 – 6:30 p.m., In-person Meeting

The in-person public meeting was attended by 38 residents who gave quality feedback and asked a lot of good questions.



Figure 6.x: Attendees at the In-Person HAST Public Meeting listen to a presentation from HCD staff about the draft plan

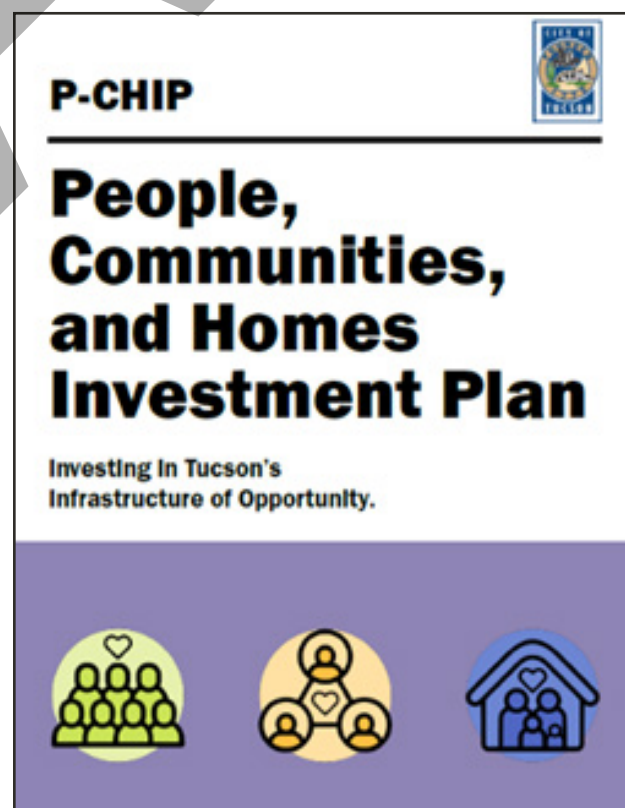
## Commission on Equitable Housing and Development

The Commission on Equitable Housing and Development (CEHD) with its three subcommittees, discussed and provided specific input into the HAST plan throughout its development. The full Commission and two of its subcommittees (the Housing Segregation Subcommittee and Housing First Subcommittee), passed motions supporting the HAST plan. The motions were made to recommend to Mayor and Council approval of the strategies in the Draft HAST Plan with a focus on permanent supportive housing strategies and capacity building for non-profit housing providers and developers. The Housing Segregation Subcommittee specifically supported policy initiatives #3 and #10 as potential ways to affirmatively further fair housing and reduce housing segregation. The videos of the CEHD and

subcommittee meetings can be found on the [City of Tucson Housing and Community Development YouTube channel](#).

## People, Communities, and Homes Investment Plan Engagement

A recent HCD effort, the People, Communities, and Homes Investment Plan (P-CHIP) also underwent a significant public engagement process resulting in meaningful feedback regarding the affordable housing situation in Tucson. Four virtual public and stakeholder meetings were held between October 2020 and January 2021 resulting in feedback much of which was centered around affordable housing.



Some of the topics brought up during the P-CHIP meetings included:

- Historic and current practices of discrimination in housing; financing; the need for innovation and outside-the-box solutions and thinking; funding mechanisms for housing (including the Low-Income Housing Tax Credit, HOME, vouchers, etc.).
- The need to address past and current inequities in service provision and access to housing through outreach to underserved communities, remedying barriers to housing, and other means.
- Improved use of data to understand challenges (such as assessing affordable housing stock) and monitor impacts.

The P-CHIP community outreach efforts also included an online survey to gather feedback on priorities and population groups most important to respondents. Nearly 400 respondents completed the survey. The number one challenge identified in the survey was a lack of affordable or attainable housing options. The number one response for P-CHIP funding priorities by a significant amount was affordable housing. To view these survey results, go to the [P-CHIP website](#).